

**Madison Parish School Board  
Tallulah, Louisiana**

**Annual Financial Report  
As of and for the Year Ended June 30, 2014**

**Madison Parish School Board  
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# HUFFMAN & SOIGNIER

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## INDEPENDENT AUDITORS' REPORT

**Madison Parish School Board  
Monroe, Louisiana**

### *Report on the Financial Statements*

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of **Madison Parish School Board** (the School Board) as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements as listed in the Table of Contents.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School Board as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 5 – 11), the budgetary comparison information (pages 51 – 56), and the schedule of funding progress-other post-employment benefits (page 49) be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

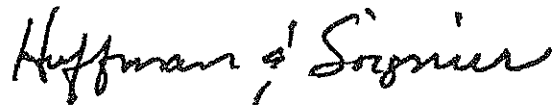
#### ***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School Board's basic financial statements. The accompanying information listed as supplementary information in the Table of Contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information and the schedule of expenditures of federal awards described above are fairly stated in all material respects in relation to the basic financial statements as a whole.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2015, on our consideration of the School Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in assessing the results of our audit.

A handwritten signature in black ink, reading "Huffman & Signier". The signature is written in a cursive, flowing style.

(A Professional Accounting Corporation)

January 19, 2015

**REQUIRED SUPPLEMENTARY INFORMATION:**

**MANAGEMENT'S DISCUSSION  
AND ANALYSIS (MD&A)**

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**Madison Parish School Board**  
**Management's Discussion and Analysis (MD&A)**

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Our discussion and analysis of Madison Parish School Board's financial performance provides an overview of the School Board's financial activities for the fiscal year ended June 30, 2014. Please read it in conjunction with the School Board's financial statements which follow this Management's Discussion and Analysis. Unless otherwise noted all amounts are reported in thousands.

### **FINANCIAL HIGHLIGHTS**

The primary resources available to the School Board are local revenues which are primarily tax receipts, state revenues which are primarily Minimum Foundation Funding and cost reimbursement grants, and federal revenues which are primarily cost reimbursement grants.

The fund balances of all governmental funds decreased \$4,233. This overall decrease is due mainly to a decrease in the general fund of \$2,122 and a decrease in the debt service fund of \$1,935. The decrease in the general fund is mainly due to a reduction in the MFP of \$2,372 due to a decrease in student count and a new charter school in the parish. The Debt Service fund reported a decrease in fund balance of \$1,935 due mainly to bond issuance costs on refunding of \$295 and capital outlay of \$1,460.

**USING THIS ANNUAL REPORT** The School Board's annual report consists of a series of financial statements that show information for the School Board as a whole, its funds, and its fiduciary responsibilities. The Statement of Net Position and the Statement of Activities provide information about the activities of the School Board as a whole and present a longer-term view of the School Board's finances. Our fund financial statements are included later in this report. For our governmental activities, these statements tell how we financed our services in the short-term as well as what remains for future spending. Fund statements also may give you some insights into the School Board's overall financial health. Fund financial statements also report the School Board's operations in more detail than the government-wide financial statements by providing information about the School Board's most significant funds, the general fund, Title I, Striving Readers Comprehensive Literacy Program, 21<sup>st</sup> Century Grant and Debt Service. The proprietary fund statements provide information about our internal service fund, which is used to account for our worker's compensation self insurance. The remaining statement - the Statement of Fiduciary Assets and Liabilities presents financial information about activities for which the School Board acts solely as an agent for the benefit of students, parents and citizens.



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Madison Parish School Board  
Management's Discussion and Analysis (MD&A)

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*Financial Section*

Required Supplementary Information

Management's Discussion & Analysis (MD&A)

**Basic Financial Statements**

**Government-wide  
Financial Statements**



**Fund  
Financial Statements**

**Notes to the Basic Financial Statements**

Required Supplementary Information

Schedule of Funding Progress for OPEB  
Budgetary Information for Major Funds

Supplementary Information

Nonmajor Funds Combining Statements  
Agency Funds Statements/Schedules  
Schedule of Compensation Paid Board Members

Our auditor has provided an opinion in the independent auditor's report, located immediately preceding this Management's Discussion and Analysis, that the Basic Financial Statements are fairly stated. Varying degrees of assurance is being provided by the auditor regarding the Required Supplementary Information and the Supplementary Information identified above. A user of this report should read the independent auditor's report carefully to ascertain the level of assurance being provided for each of the other parts in the Financial Section.

**Reporting the School Board as a Whole**

*The Statement of Net Position and the Statement of Activities*

Our analysis of the School Board as a whole begins with the government-wide financial statements. One of the most important questions asked about the School Board is, "Is the School Board as a whole better off or worse off financially as a result of the year's activities?" The Statement of Net Position and the Statement of Activities, which appear first in the School Board's financial statements, report information on the School Board as a whole and its activities in a way that helps you answer this question. We prepare these statements to include all assets and liabilities, using the accrual basis of accounting, which is similar to the accounting used by most private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

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**Madison Parish School Board**  
**Management's Discussion and Analysis (MD&A)**

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**(Unaudited)**

These two statements report the School Board's net position - the difference between assets and liabilities, as reported in the Statement of Net Position - as one way to measure the School Board's financial health, or financial position. Over time, increases or decreases in the School Board's net position - as reported in the Statement of Activities - are one indicator of whether its financial health is improving or deteriorating. The relationship between revenues and expenses is the School Board's operating results. However, the School Board's goal is to provide services to our students, not to generate profits as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the School Board.

The Statement of Net Position and Statement of Activities report the following activity for the School Board:

Governmental activities - All of the School Board's services are reported here, including instruction, plant services, transportation, and food services. Property taxes, sales taxes, Minimum Foundation Program funds, and state and federal grants finance most of these activities.

### **Reporting the School Board's Most Significant Funds**

#### ***Fund Financial Statements***

The School Board's fund financial statements provide detailed information about the most significant funds - not the School Board as a whole. Some funds are required to be established by State law and by bond covenants. However, the School Board establishes many other funds to help it control and manage money for particular purposes (like the School Food Service) or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money (like grants the School Board receives from the U.S. Department of Education). The School Board's governmental funds use the following accounting approach:

Governmental funds - Most of the School Board's services are reported in governmental funds. Governmental fund reporting focuses on showing how money flows into and out of funds and the balances left at year-end that are available for spending. They are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the School Board's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the School Board's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation on Statements D and F.

Proprietary funds - When the School Board charges customers for the services it provides - whether to outside customers or to other units of the School Board - these services are generally reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The School Board uses internal service funds (the other component of proprietary funds) to report activities that provide supplies and services for the School Board's other programs and activities - the worker's compensation fund.

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**Madison Parish School Board**  
**Management's Discussion and Analysis (MD&A)**

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**The School Board as Trustee**

*Reporting the School Board's Fiduciary Responsibilities*

The School Board is the trustee, or fiduciary, for its student activities funds, and sales tax agency fund. All of the School Board's fiduciary activities are reported in the Statements of Fiduciary Assets and Liabilities. We exclude these activities from the School Board's other financial statements because the School Board cannot use these assets to finance its operations. The School Board is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

**THE SCHOOL BOARD AS A WHOLE** The School Board's net position was \$15,860 at June 30, 2014. Of this amount \$(1,112) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the School Board's ability to use that net position for day-to-day operations. Our analysis below focuses on the net position, (Table 1) and the change in net position (Table 2) of the School Board's governmental activities.

**Table 1**  
**Net Position (in thousands)**  
**June 30,**

	2014	2013	Variance
Other assets	\$ 14,053	\$ 18,542	\$ (4,489)
Capital assets	33,897	33,655	242
Total assets	<u>47,950</u>	<u>52,197</u>	<u>(4,247)</u>
Deferred Outflow of Resources	849	-	849
Other liabilities	1,869	1,848	21
Long-term liabilities	31,070	30,282	788
Total liabilities	<u>32,939</u>	<u>32,130</u>	<u>809</u>
Net position:			
Net investment in capital assets	11,935	10,681	1,254
Restricted	5,037	7,083	(2,046)
Unrestricted	(1,112)	2,303	(3,415)
Total net position	<u>\$ 15,860</u>	<u>\$ 20,067</u>	<u>\$ (4,207)</u>

The results of this year's operations for the School Board as a whole are reported in the Statement of Activities. Table 2 on the next page, takes the information from that statement and rearranges it slightly so that readers can see total revenues for the year.

**Madison Parish School Board**  
**Management's Discussion and Analysis (MD&A)**

**Table 2**  
**Changes in Net Position (in thousands)**  
**For the Year Ended June 30,**

	Governmental Activities		
	2014	2013	Variance
Net Position	\$ 20,067	\$ 20,522	\$ (455)
<b>Revenues:</b>			
Program revenues			
Charges for services	29	17	12
Operating grants and contributions	5,804	5,329	475
General Revenues			
Ad valorem taxes	2,577	2,525	52
Sales taxes	3,805	3,529	276
State equalization	8,460	10,812	(2,352)
Other general revenues	710	327	383
Total revenues	21,385	22,539	(1,154)
<b>Functions/Program Expenses:</b>			
Instruction			
Regular programs	9,250	7,211	2,039
Special programs	1,289	1,528	(239)
Other instructional programs	2,903	2,632	271
Support services			
Student services	1,223	1,305	(82)
Instructional staff support	2,164	2,034	130
General administration	704	824	(120)
School administration	1,134	999	135
Business services	764	532	232
Plant services	2,265	1,810	455
Student transportation services	1,203	1,364	(161)
Food Services	1,477	1,615	(138)
Community Service Program	14	14	-
Interest on long-term debt	1,202	1,126	76
Total expenses	25,592	22,994	2,598
<b>Increase (decrease) in net position</b>	<b>(4,207)</b>	<b>(455)</b>	<b>(3,752)</b>
<b>Net Position – ending</b>	<b>\$ 15,860</b>	<b>\$ 20,067</b>	<b>\$ (4,207)</b>

**Governmental Activities** As reported in the Statement of Activities, the cost of all governmental activities this year was \$25,592. The amount that taxpayers ultimately financed for these activities through School Board taxes was \$6,382 because some of the cost was paid by those who benefited from the program \$29 or by other governments and organizations who subsidized certain programs with grants and contributions \$5,804. The remaining amount was paid by MFP funds of \$8,460, other grants that are not restricted to certain programs of \$156 and other revenues of \$554 which are mainly interest income and other local sources. The net change of \$4,207 reduced the net position.

Total revenues decreased \$1,154 due mainly to a decrease in MFP of 2,352 which was offset by increases in all other revenues.

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**Madison Parish School Board**  
**Management's Discussion and Analysis (MD&A)**

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Total expenses increased \$2,598 due mainly to an increase of \$1,193 in OPEB cost, \$294 in bond issuance costs related to the refunding, \$433 increase in retirement, and increase in health insurance of \$94.

In the table below we have presented the cost of each of the School Board's six largest functions - regular programs, other instructional programs, special programs, instructional staff support, plant services, and food services as well as each program's net cost (total cost less revenues generated by the activities). Net cost shows the financial burden that was placed on the School Board's taxpayers by each of these functions. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by that function.

**Governmental Activities for the**  
**Year Ended June 30**

**2014**

(in thousands)

	Total Cost of Services	Net Cost of Services
Regular programs	\$ 9,250	\$ 8,417
Special programs	1,289	1,118
Other instructional programs	2,903	729
Instructional staff support	2,164	913
Plant services	2,265	2,257
Food services	1,477	536
All others	6,244	5,789
Totals	<u>\$ 25,592</u>	<u>\$ 19,759</u>

**THE SCHOOL BOARD'S FUNDS** As we noted earlier, the School Board uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the School Board is being accountable for the resources taxpayers and others provide to it but may also give you more insight into the School Board's overall financial health.

**General Fund Budgetary Highlights** There was one budget amendment for the 2013-2014 fiscal year. The original budget was amended to reduce the MFP revenue and reduce expenditures because of the MFP reduction.

Actual revenue exceeded budgeted revenue by \$782. This was due mainly to \$591 positive variance for MFP revenue and a \$366 positive variance for sales tax revenue. These positive variances were slightly offset by a negative variance for ad valorem tax.

Actual expenditures were more than budgeted by \$1,754. Not enough was budgeted for substitutes, equipment rental and textbooks.

#### **CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets** At June 30, 2014, the School Board had \$33,897 invested in a broad range of capital assets, including land, buildings, and furniture and equipment. This amount represents a net increase (including additions, deductions, and depreciation) of \$243 or 1%, from last year. This increase is due to the additions of buses and parking lots in the current year. We present more detailed information on our capital assets in Note 5 to the financial statements.

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**Madison Parish School Board**  
**Management's Discussion and Analysis (MD&A)**

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**Capital Assets at June 30,**

Governmental Activities

	2014	2013	Variance
Land	\$ 939	\$ 939	\$ -
Construction in progress	148	-	148
Furniture and equipment	1,665	1,377	288
Buildings	31,145	31,338	(193)
Totals	<u>\$ 33,897</u>	<u>\$ 33,654</u>	<u>\$ 243</u>

Additions for the current year consisted of parking lots at two schools, buses, cars, vans, and trucks.

**DEBT ADMINISTRATION** At June 30, 2014, the School Board had \$22,987 in long term debt versus \$23,664 last year. The outstanding debt consists of:

	2014	2013	Variance
Qualified zone academy bond	\$ 152	\$ 252	\$ (100)
General obligation bonds	15,085	15,270	(185)
Sales tax revenue bonds	7,750	8,070	(320)
Capital lease	-	72	(72)
	<u>\$ 22,987</u>	<u>\$ 23,664</u>	<u>\$ (677)</u>

The State limits the amount of general obligation debt that can be issued to 35% of the assessed value of taxable property. The net bonded debt of \$10,540 (total bonded debt of \$15,085 less the fund balance in debt service of \$4,545) is well below this threshold. We present more detailed information on our long term debt in Note 11 to the financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES** The 2014-15 budget was estimated from the 2013-14 fiscal year actual results.

**CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT** Our financial report is designed to provide our citizens, taxpayers, parents, students, and investors and creditors with a general overview of the School Board's finances and to show the School Board's accountability for the money it receives. If you have questions about this report or wish to request additional financial information, contact Lisa Wilmore, Superintendent, at Madison Parish School Board, P. O. Box 1620, Tallulah, Louisiana 71284, telephone number (318) 574-3616.

**BASIC FINANCIAL STATEMENTS:**

**GOVERNMENT-WIDE  
FINANCIAL STATEMENTS (GWFS)**

MADISON PARISH SCHOOL BOARD

STATEMENT OF NET POSITION  
June 30, 2014

Statement A

	GOVERNMENTAL ACTIVITIES
ASSETS	
Cash and cash equivalents	\$ 11,010,972
Receivables (net)	2,725,533
Inventory	34,402
Prepaid items	282,103
Capital assets:	
Land and construction in progress	1,087,107
Exhaustible capital assets, net of depreciation	32,809,729
TOTAL ASSETS	47,949,846
DEFERRED OUTFLOWS OF RESOURCES	
Deferred charges on refundings	848,816
TOTAL DEFERRED OUTFLOWS OF RESOURCES	848,816
LIABILITIES	
Accounts, salaries and other payables	1,386,949
Interest payable	424,334
Unearned revenue	57,589
Long-term liabilities:	
Due within one year	1,641,750
Due in more than one year	29,428,069
TOTAL LIABILITIES	32,938,691
NET POSITION	
Net investment in capital assets	11,935,341
Restricted for:	
Debt Service	4,545,055
Salaries	236,965
School Food Service	255,120
Unrestricted	(1,112,510)
TOTAL NET POSITION	\$ 15,859,971

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.



MADISON PARISH SCHOOL BOARD

STATEMENT OF ACTIVITIES  
For the Year Ended June 30, 2014

FUNCTIONS/PROGRAMS	PROGRAM REVENUES			Statement B
	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION
<i>Governmental activities:</i>				
Instruction:				
Regular programs	\$ 9,250,208	\$ -	\$ 833,013	\$ (8,417,195)
Special programs	1,289,283	-	171,479	(1,117,804)
Other instructional programs	2,902,730	-	2,173,476	(729,254)
Support services:				
Student services	1,223,293	-	431,061	(792,232)
Instructional staff support	2,163,647	-	1,250,957	(912,690)
General administration	703,875	-	6,140	(697,735)
School administration	1,133,663	-	-	(1,133,663)
Business services	763,650	-	1,760	(761,890)
Plant services	2,265,260	-	8,014	(2,257,246)
Student transportation services	1,202,586	-	15,032	(1,187,554)
Food services	1,476,946	28,659	912,683	(535,604)
Community service programs	13,650	-	-	(13,650)
Interest and fiscal charges	1,202,470	-	-	(1,202,470)
Total Governmental Activities	\$ 25,591,261	\$ 28,659	\$ 5,803,615	\$ (19,758,987)
General revenues:				
Taxes:				
Ad valorem taxes levied for general purposes				2,577,252
Sales taxes levied for general purposes				3,805,074
Grants and contributions not restricted to specific programs				
Minimum Foundation Program				8,459,670
State Revenue Sharing				38,491
Federal Refuge Revenue Sharing				29,934
Growth Funding				87,511
Interest and investment earnings				48,386
Miscellaneous				505,920
Total general revenues				15,552,238
Changes in net assets				(4,206,749)
Net position - beginning				20,066,720
Net position - ending				\$ 15,859,971

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

**BASIC FINANCIAL STATEMENTS:**  
**FUND FINANCIAL STATEMENTS (FFS)**

MADISON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS

Balance Sheet

June 30, 2014

	GENERAL	TITLE I	STRIVING READERS COMPREHENSIVE LITERACY PROGRAM
ASSETS			
Cash and cash equivalents	\$ 3,414,896	\$ 15,108	\$ -
Receivables	281,992	720,986	630,128
Interfund receivables	2,583,644	-	-
Inventory	-	-	-
Prepaid items	282,103	-	-
TOTAL ASSETS	<u>6,562,635</u>	<u>736,094</u>	<u>630,128</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	544,384	246,164	129,183
Interfund payables	110,199	475,741	500,945
Unearned revenue	-	14,189	-
Total Liabilities	<u>654,583</u>	<u>736,094</u>	<u>630,128</u>
Fund Balances:			
Nonspendable	282,103	-	-
Restricted	236,965	-	-
Committed	1,254,945	-	-
Unassigned	4,134,039	-	-
Total Fund Balances	<u>5,908,052</u>	<u>-</u>	<u>-</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 6,562,635</u>	<u>\$ 736,094</u>	<u>\$ 630,128</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

Statement C

21st CENTURY GRANT	DEBT SERVICE	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 5,231,678	\$ 1,229,017	\$ 9,890,699
403,700	125,135	563,519	2,725,460
-	31,112	79,087	2,693,843
-	-	34,402	34,402
-	-	-	282,103
403,700	5,387,925	1,906,025	15,626,507
197,992	2,176	265,014	1,384,913
192,709	840,694	497,372	2,617,660
12,999	-	30,401	57,589
403,700	842,870	792,787	4,060,162
-	-	9,243	291,346
-	4,545,055	939,552	5,721,572
-	-	164,443	1,419,388
-	-	-	4,134,039
-	4,545,055	1,113,238	11,566,345
\$ 403,700	\$ 5,387,925	\$ 1,906,025	\$ 15,626,507

MADISON PARISH SCHOOL BOARD

Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2014

Statement D

Total fund balances - governmental funds \$ 11,566,345

The cost of capital assets (land, buildings, furniture and equipment) purchased or constructed is reported as an expenditure in governmental funds. The Statement of Net Position includes those capital assets among the assets of the School Board as a whole. The cost of those capital assets allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in governmental funds.

Costs of capital assets	\$ 48,756,282
Depreciation expense to date	<u>(14,859,446)</u>

33,896,836

Net position of the internal service fund reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement.

Total net position	963,127
--------------------	---------

Long-term liabilities applicable to the School Board's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long term - are reported in the Statement of Net Position.

For advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying value of the old debt is reported as a deferred outflow of resources for full accrual reporting

848,816

Balances at June 30, 2014 are:

Long-term liabilities

General obligation and sales tax bonds	(22,835,000)	
QZAB loan payable	(151,629)	
Premium on bonds	(515,662)	
OPEB liability payable	(6,876,347)	
Compensated absences payable	(612,181)	
Interest payable	<u>(424,334)</u>	
		<u>(31,415,153)</u>

Total net position - governmental activities	\$ <u>15,859,971</u>
--	----------------------

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2014

	GENERAL	TITLE I	STRIVING READERS COMPREHENSIVE LITERACY PROGRAM
REVENUES			
Local sources:			
Taxes:			
Ad valorem	\$ 1,243,869	\$ -	\$ -
Sales and use	2,466,237	-	-
Interest earnings	31,833	-	-
Food services	-	-	-
Other	200,322	-	-
State sources:			
Equalization	8,419,932	-	-
Other	239,071	-	-
Federal sources	79,133	1,745,657	931,205
Total Revenues	12,680,397	1,745,657	931,205
EXPENDITURES			
Current:			
Instruction:			
Regular programs	6,988,722	129,398	226,801
Special programs	1,026,883	-	-
Other instructional programs	742,079	983,925	285,847
Support services:			
Student services	621,902	127,550	94,442
Instructional staff support	871,026	432,147	251,558
General administration	193,594	145,161	72,557
School administration	1,046,537	-	-
Business services	590,748	1,760	-
Plant services	1,404,795	122	-
Student transportation services	1,013,017	-	-
Food services	198,743	-	-
Community service programs	13,650	-	-
Capital outlay	14,848	-	-
Debt service:			
Principal retirement	75,814	-	-
Interest and bank charges	-	-	-
Bond Issuance Costs	-	-	-
Total Expenditures	14,802,358	1,820,063	931,205
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (2,121,961)	\$ (74,406)	\$ -

Statement E

21st CENTURY GRANT	DEBT SERVICE	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 1,333,383	\$ -	\$ 2,577,252
-	1,338,837	-	3,805,074
-	14,965	380	47,178
-	-	28,659	28,659
-	5,841	160,214	366,377
-	-	39,738	8,459,670
-	-	303,135	542,206
606,143	16,561	2,038,646	5,417,345
606,143	2,709,587	2,570,772	21,243,761
-	144,161	333,751	7,822,833
-	-	169,538	1,196,421
429,645	-	256,014	2,697,510
-	-	348,979	1,192,873
106,398	92	312,422	1,973,643
47,804	492	143,440	603,048
-	-	-	1,046,537
-	159,024	-	751,532
7,264	810,724	1,258	2,224,163
15,032	-	-	1,028,049
-	-	1,106,299	1,305,042
-	-	-	13,650
-	1,459,948	-	1,474,796
-	1,237,588	-	1,313,402
-	832,989	-	832,989
-	294,719	-	294,719
606,143	4,939,737	2,671,701	25,771,207
\$ -	\$ (2,230,150)	\$ (100,929)	\$ (4,527,446)

(CONTINUED)

MADISON PARISH SCHOOL BOARD

GOVERNMENTAL FUNDS  
Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2014

	GENERAL	TITLE I	STRIVING READERS COMPREHENSIVE LITERACY PROGRAM
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ 74,406	\$ -
Transfers out	-	-	-
Refunding bond proceeds	-	-	-
Bond premiums	-	-	-
Payments to refunded bond escrow agents	-	-	-
Total Other Financing Sources (Uses)	-	74,406	-
Net Change in Fund Balances	(2,121,961)	-	-
Fund balances- beginning	8,030,013	-	-
Fund balances - ending	\$ 5,908,052	\$ -	\$ -

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.



Statement E

21st CENTURY GRANT	DEBT SERVICE	NONMAJOR GOVERNMENTAL	TOTAL
\$ -	\$ 22	\$ -	\$ 74,428
-	-	(74,428)	(74,428)
-	14,640,000	-	14,640,000
-	561,585	-	561,585
-	(14,906,866)	-	(14,906,866)
-	294,741	(74,428)	294,719
-	(1,935,409)	(175,357)	(4,232,727)
-	6,480,464	1,288,595	15,799,072
<u>\$ -</u>	<u>\$ 4,545,055</u>	<u>\$ 1,113,238</u>	<u>\$ 11,566,345</u>

(CONCLUDED)

MADISON PARISH SCHOOL BOARD

Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures, and Changes in Fund Balances  
to the Statement of Activities  
For the Year Ended June 30, 2014

Statement F

Total net change in fund balances - governmental funds \$ (4,232,727)

Amounts reported for governmental activities in the Statement of Activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense exceeds capital outlays in the period:

Depreciation expense	\$ (1,232,173)	
Capital outlays	<u>1,474,796</u>	242,623

The issuance of long-term debt provides current financial resources of governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Receipt of bond proceeds	(14,640,000)	
Payment to bond escrow agent	14,906,866	
Repayment of bond debt and capital lease	1,313,402	
OPEB liability	<u>(1,192,962)</u>	387,306

In the Statement of Activities, certain operating expenses-compensated absences (vacations and sick leave) - are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation and sick time earned (369,464) exceeded the amounts used \$349,198 by (\$20,266). (20,266)

All revenues, expenses and changes in fund net position (deficits) of the Internal Service fund are reported as proprietary fund type in the fund financial statement but included as governmental activities in the government-wide financial statement. 52,662

Bond premiums are reported as other financing sources in the governmental funds and thus contribute to the changes in fund balance. In the statement of net position, however, bond premiums increase long term debt and are amortized over the life of the bonds.

Bond premiums receipt	(561,585)	
Amortization of bond premium	<u>45,923</u>	(515,662)

For advance refundings resulting in defeasance of debt, the difference between the reacquisition price and the net carrying amount of the old debt is reported as a deferred outflow of resources for full accrual reporting and is recognized as a component of interest expense over the remaining life of the old debt or the life of the new debt, whichever is shorter.

The amortization for the current year is 53,050. (53,050)

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. (67,635)

Change in net position of governmental activities. \$ (4,206,749)

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD  
 PROPRIETARY FUND TYPE - INTERNAL SERVICE  
 STATEMENT OF NET POSITION  
 June 30, 2014

Statement G

<b>ASSETS</b>	
Current assets:	
Cash	\$ 1,120,273
Accounts receivable	<u>73</u>
 TOTAL ASSETS	 <u>1,120,346</u>
 <b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	2,036
Interfund payable	76,183
Claims payable	<u>25,000</u>
 Noncurrent liabilities:	
Claims payable	<u>54,000</u>
 TOTAL LIABILITIES	 <u>157,219</u>
 <b>NET POSITION</b>	
Unrestricted	<u>963,127</u>
 TOTAL NET POSITION	 <u><u>\$ 963,127</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE  
Statement of Revenues, Expenses, and  
Changes in Fund Net Position  
For the Year Ended June 30, 2014

Statement H

OPERATING REVENUE	
Insurance refunds	\$ 139,543
Total operating revenue	<u>139,543</u>
OPERATING EXPENSES	
Claims	-
Administration	<u>88,089</u>
Total operating expenses	<u>88,089</u>
Operating income (loss)	<u>51,454</u>
NONOPERATING REVENUE	
Earnings on investments	<u>1,208</u>
Changes in Net Assets	52,662
NET POSITION - BEGINNING	<u>910,465</u>
NET ASSETS - ENDING	<u>\$ 963,127</u>

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD

PROPRIETARY FUND TYPE - INTERNAL SERVICE

Statement of Cash Flows

For the Year Ended June 30, 2014

	Statement I
CASH FLOWS FROM OPERATING ACTIVITIES	
Insurance refunds	\$ 139,543
Claims paid	<u>(272,871)</u>
Net cash provided (used) by operating activities	<u>(133,328)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Earnings on invested proceeds	<u>1,208</u>
Net increase (decrease) in cash and cash equivalents	(132,120)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<u>1,252,393</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>1,120,273</u></u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	
Operating income (loss)	51,454
Adjustments to reconcile operating income to net cash provided (used) by operating activities:	
Change in assets and liabilities:	
Increase (decrease) in interfund payable	78,218
Increase (decrease) in claims payable	<u>(263,000)</u>
Net cash provided (used) for operating activities	<u><u>\$ (133,328)</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

MADISON PARISH SCHOOL BOARD  
FIDUCIARY FUND  
STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES  
June 30, 2014

	Statement J
	AGENCY FUND
ASSETS	
Cash and cash equivalents	\$ 232,501
Receivables	<u>574,507</u>
TOTAL ASSETS	<u><u>807,008</u></u>
LIABILITIES	
Deposits due others	<u>807,008</u>
TOTAL LIABILITIES	<u><u>\$ 807,008</u></u>

THE NOTES TO THE BASIC FINANCIAL STATEMENT ARE AN INTEGRAL PART OF THIS STATEMENT.

Madison Parish School Board  
Notes to the Basic Financial Statement  
June 30, 2014

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Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** The accompanying financial statements of the Madison Parish School Board have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. REPORTING ENTITY** The Madison Parish School Board was created by Louisiana Revised Statute LSA-R.S. 17:51 to provide public education for the children within Madison Parish. The School Board is authorized by LSA-R.S. 17:81 to establish policies and regulations for its own government consistent with the laws of the state of Louisiana and the regulations of the Louisiana Board of Elementary and Secondary Education. The School Board is comprised of ten members who are elected from ten districts for terms of four years.

The School Board operates four schools within the parish with a total enrollment of approximately 1,488 pupils. In conjunction with the regular educational programs, some of these schools offer special education and/or adult education programs. In addition, the School Board provides transportation and school food services for the students.

**B. FUNDS** The accounts of the School Board are organized and operated on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions or activities.

Funds of the School Board are classified into three categories: governmental, proprietary, and fiduciary. In turn, each category is divided into separate fund types. The fund classifications and a description of each existing fund type follow:

**Governmental Funds** Governmental funds account for all or most of the School Board's general activities, including the collection and disbursement of specific or legally restricted monies, the acquisition or construction of capital assets, and the servicing of long-term debt. The School Board reports the following major governmental funds:

**General fund** - the general operating fund of the School Board accounts for all financial resources, except those accounted for in other funds.

**Title I fund** - accounts for federal funds received for the Title I federal program.

**Striving Readers Comprehensive Literacy Program** - accounts for federal funds received to advance literacy skills, including pre-literacy skills, reading and writing for students from birth through 12<sup>th</sup> grade, including limited-English-proficient students and students with disabilities.

**21<sup>st</sup> Century Grant fund** - accounts for federal funds received to support the erection of community learning centers to provide academic enrichment opportunities during non-school hours for children, particularly students who attend high-poverty and low-performing schools.

**Debt Service** - accounts for taxes collected for payment of debt and the debt service payments on the general obligation bonds and the sales tax bonds.

**Proprietary Funds** Proprietary funds account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Proprietary funds differ from



Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

governmental funds in that their focus is on measurement, which, together with the maintenance of equity is an important financial indicator. The School Board reports the following proprietary fund:

**Internal service fund** - accounts for operations that provide services to other departments or agencies of the government, or to other governments, on a cost-reimbursement basis. This fund accounts for the worker's compensation program.

**Fiduciary Funds** - account for assets held on behalf of outside parties, including other governments, or on behalf of other funds within the School Board. Fiduciary funds include:

**School activities agency fund** - accounts for assets held by the School Board as an agent for the individual schools and school organizations.

**Sales tax agency fund** - used to account for collections and disbursement of sales tax receipts to Madison Parish School Board, Madison Parish Police Jury, City of Tallulah, Village of Delta, Village of Richmond and Madison Parish Law Enforcement.

Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

### C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

**Government-Wide Financial Statements (GWFS)** The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. Fiduciary funds are not included in the GWFS. Fiduciary funds are reported only in the Statement of Fiduciary Assets and Liabilities at the fund financial statement level.

The Statement of Net Position and the Statement of Activities was prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33 Accounting and Financial Reporting for Nonexchange Transactions.

**Internal Activities** The Worker's Compensation internal service fund provides services to the governmental funds. Accordingly, the Workers Compensation fund activity was rolled into the governmental activities. Pursuant to GASB Statement No. 34 Basic Financial statements – and Managements' Discussion and Analysis- for State and Local Governments, as much as possible, the internal activities have been eliminated in order to avoid the "grossing-up" effect of a straight inclusion.

**Program revenues** Program revenues include 1) charges for services provided, 2) operating grants and contributions, and 3) capital grants and contributions; program revenues reduce the cost of the function to be financed from the School Board's general revenues. Charges for services are primarily derived from cafeteria sales. Operating grants and contributions consist of the many educational grants received from the federal and state government.

**Allocation of indirect expenses** The School Board reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense of each function. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

**Fund Financial Statements (FFS)**

**Governmental Funds** The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting revenues are recognized when susceptible to accrual (i.e., when they are "measurable and available"). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The government considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured interest on long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The governmental funds use the following practices in recording revenues and expenditures:

**Revenues**

**Federal and state entitlements** which include state equalization and state revenue sharing are recorded as unrestricted grants-in-aid when available and measurable. Federal and state restricted grants are recorded when the reimbursable expenditures have been incurred.

**Ad valorem taxes** are recognized when all applicable eligibility requirements are met and the resources are available.

**Sales taxes** are recognized when the underlying exchange takes place and the resources are available.

**Interest income** on time deposits and investments is recorded when the interest becomes measurable and available to finance expenditures of the fiscal period.

**Expenditures** Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.

**Salaries** are recorded as paid. Salaries for nine-month employees are paid over twelve months and accrued at June 30.

**Principal and interest** on long-term debt is recognized when due.

**Inventory** items are expensed as purchased except for inventory of the school lunch fund which is expensed as consumed.

**Compensated absences** are recognized as expenditures when leave is actually taken or upon termination of employment due to retirement or death.

Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

**Other Financing Sources (Uses)** Transfers between funds that are not expected to be repaid (or other types, such as sale of capital assets, debt extinguishments, and long-term debt proceeds) are accounted for as other financing sources (uses). These other financing sources (uses) are recognized at the time the underlying events occur.

**Proprietary Fund** Proprietary fund is accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. With this measurement focus, all assets and all liabilities associated with the operation of the fund are included on the balance sheet.

**Operating revenues and expenses** Proprietary fund distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operation. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**Fiduciary Funds** The *agency fund* is custodial in nature and does not present results of operations or have a measurement focus. Agency funds are accounted for using the accrual basis of accounting.

**D. CASH AND CASH EQUIVALENTS** Cash includes amounts in demand deposits, interest-bearing demand deposits, and money market accounts. Cash equivalents include amounts in time deposits and those investments with original maturities of 90 days or less. Under state law, the School Board may deposit funds in demand deposits, interest-bearing demand deposits, money market accounts, or time deposits with state banks organized under Louisiana law and national banks having their principal offices in Louisiana.

Under state law, the School Board may invest in United States bonds, treasury notes, or certificates. These are classified as investments if their original maturities exceed 90 days; however, if the original maturities are 90 days or less they are classified as cash equivalents and are stated at cost.

**E. INVESTMENTS** Investments are limited by R.S. 33:2955 and the School Board's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

The investments are reflected at fair value except for the following which are required/permitted as per GASB Statement No. 31:

1. Investments in nonparticipating interest-earning contracts, such as nonnegotiable certificates of deposit with redemption terms that do not consider market rates, are reported using a cost-based measure.
2. The School Board reported at amortized cost money market investments and participating interest-earning investment contracts that have a remaining maturity at time of purchase of one year or less.

**Definitions:**

Interest-earning investment contracts include time deposits with financial institutions (such as certificates of deposit), repurchase agreements, and guaranteed investment contracts.

Money market investments are short-term, highly liquid debt instruments that include U. S. Treasury obligations.

Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

**F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES** During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

**G. ELIMINATION AND RECLASSIFICATIONS** In the process of aggregating data for the statement of net position and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

**H. INVENTORY AND PREPAID ITEMS** Inventory items are expensed as purchased except for inventory of the school food service fund.

Inventory of the school food service special revenue fund consists of food purchased by the School Board and commodities granted by the United States Department of Agriculture through the Louisiana Department of Agriculture and Forestry. The commodities are recorded as revenues when received; however, all inventory items are recorded as expenditures when consumed. All purchased inventory items are valued at the lower of cost (first-in, first-out) or market, and commodities are assigned values based on information provided by the United States Department of Agriculture.

Certain payments to vendors reflect cost applicable to future accounting periods and are reported as prepaid items.

**I. CAPITAL ASSETS** Capital assets are recorded at historical cost or estimated historical cost if purchased or constructed and depreciated over their estimated useful lives (including salvage value). The capitalization threshold is \$5,000. Donated capital assets are recorded at their estimated fair value at the date of donation. Estimated useful life is management's estimate of how long the asset is expected to meet service demands. Straight line depreciation is used based on the following estimated useful lives:

Buildings	15 - 40 years
Furniture and equipment	3 - 10 years

**J. UNEARNED REVENUES** Unearned revenues arise when resources are received by the School Board before it has a legal claim to them, as when grant monies are received prior to the occurrence of qualifying expenditures. In subsequent periods, when the School Board has a legal claim to the resources, the liability for unearned revenue is removed and the revenue is recognized.

**K. COMPENSATED ABSENCES** All 12-month employees earn ten days of vacation leave each year. Vacation leave can be accumulated up to a maximum of twenty-five days. However, those employees who had accumulated more than twenty-five days prior to June 30, 2003 could have their full accumulated leave count carried forward. The amount accumulated can never exceed the amount at June 30, 2003.

All School Board employees earn from ten to eighteen days of sick leave each year, depending upon the length of service. Sick leave can be accumulated without limitation. Upon retirement or death, unused accumulated sick leave of up to twenty-five days is paid to the employee or to the employee's estate at the employee's current rate of pay. Under the Louisiana Teachers' Retirement System, and the Louisiana School Employees' Retirement System, all unpaid sick leave is used in the retirement benefit computation as earned service.

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The School Board's recognition and measurement criteria for compensated absences follows:

GASB Statement 16 provides that vacation leave and other compensated absences with similar characteristics should be accrued as a liability as the benefits are earned by the employees if both of the following conditions are met:

- A. The employees' rights to receive compensation are attributable to services already rendered.
- B. It is probable that the employer will compensate the employees for the benefits through paid time off or some other means, such as cash payments at termination or retirement.

GASB Statement 16 provides that a liability for sick leave should be accrued using one of the following termination approaches:

- A. An accrual for earned sick leave should be made only to the extent it is probable that the benefits will result in termination payments, rather than be taken as absences due to illness or other contingencies, such as medical appointments and funerals.
- B. Alternatively, a governmental entity should estimate its accrued sick leave liability based on the sick leave accumulated at the balance sheet date by those employees who currently are eligible to receive termination payments as well as other employees who are expected to become eligible in the future to receive such payments. The School Board uses this approach to accrue the liability for sick leave. Employees with a minimum of 10 years of experience are included in the calculation.

**L. LONG-TERM LIABILITIES** For government-wide reporting, the costs associated with the bonds are recognized over the life of the bond. For fund financial reporting, bond premiums and discounts, as well as issuance costs are recognized in the period the bonds are issued. Bond proceeds are reported as other financing source net of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. The OPEB Plan is a single employer defined benefit "substantive plan" as understood by past practices of the School Board and its employees. Although no written plan or trust currently exists or is sanctioned by law, the OPEB Plan is reported based on communication to plan members.

**M. RESTRICTED NET POSITION** For the government-wide statement of net position, net position is reported as restricted when constraints placed on net asset use are either:

- Externally imposed by creditors (such as debt covenants), grantors, contributors, or laws or regulations of other governments;
- Imposed by law through constitutional provisions or enabling legislation.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

The net position restricted for debt service and salaries is restricted due to enabling legislation.

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**N. FUND EQUITY OF FUND FINANCIAL STATEMENTS**

*GASB 54 Fund Balance Reporting and Governmental Fund Type Definitions* requires the fund balance amounts to be reported within the fund balance categories as follows:

**Non-spendable:** Fund balance that is not in spendable form or legally or contractually required to be maintained intact. This category includes items that are not easily converted to cash such as inventories and prepaid items.

**Restricted:** Fund balance that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.

**Committed:** Fund balance that can only be used for specific purposes determined by the School Board's highest level of decision making authority. Committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action it employed to previously commit the funds. Committed fund balance is the result of a resolution passed at a School Board meeting committing the funds. The resolutions are usually the result of budget revisions.

**Assigned:** Fund balance that is constrained by the School Board's intent to be used for specific purposes, but are neither restricted nor committed. Intent should be expressed by the Board.

**Unassigned:** Fund balance that is the residual classification for the general fund.

It is the School Board's policy to use restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. The School Board reduces committed amounts, followed by assigned amounts and then unassigned amounts when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

**O. INTERFUND ACTIVITY** Interfund activity is reported as either loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

**P. SALESTAX** The School Board collects 2.5% sales tax. Of the sales tax collected 1% is dedicated for salaries, .5% is dedicated for maintenance and 1% is dedicated for capital projects, which includes the authority to fund the sales tax into bonds.

**Q. BUDGETS**

**General Budget Practices** The School Board follows these procedures in establishing the budgetary data reflected in the combined financial statements:

State statute requires budgets to be adopted for the general fund and all special revenue funds.

Each year prior to September, the Superintendent submits to the Board proposed annual budgets for the general fund and special revenue funds. Public hearings are conducted, prior to the Board's approval, to obtain taxpayer comments. The operating budgets include proposed expenditures and the means of financing them.

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Appropriations (unexpended budget balances) lapse at year-end.

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget. There were no revisions during the year.

**Encumbrances** Encumbrance accounting, under which purchase orders are recorded in order to reserve that portion of the applicable appropriation, is employed.

**Budget Basis of Accounting** The major governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

**R. USE OF ESTIMATES** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statement and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**NOTE 2 - LEVIED TAXES** The School Board levies taxes on real and business personal property located within Madison Parish's boundaries. Property taxes are levied by the School Board on property values assessed by the Madison Parish Tax Assessor and approved by the State of Louisiana Tax Commission.

The Madison Parish Sheriff's Office bills and collects property taxes for the School Board. Collections are remitted to the School Board monthly.

<u>Property Tax Calendar</u>	
Millage rates adopted	October, 2013
Levy date	October, 2013
Tax bills mailed	November, 2013
Due date	December 31, 2013
Lien date	January 1, 2014

Assessed values are established by the Madison Parish Tax Assessor each year on a uniform basis at the following ratios of assessed value to fair market value:

10% land	15% industrial improvements
15% machinery	15% commercial improvements
10% residential improvements	25% public service properties, excluding land

A revaluation of all property is required after 1978 to be completed no less than every four years. The last revaluation was completed for the tax roll of January 1, 2012.

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State law requires the sheriff to collect property taxes in the calendar year in which the assessment is made. Property taxes become delinquent January 1 of the following year. If taxes are not paid by the due date, taxes bear interest at the rate of 1.25% per month until the taxes are paid. After notice is given to the delinquent taxpayers, the sheriff is required by the *Constitution of the State of Louisiana* to sell the least quantity of property necessary to settle the taxes and interest owed.

All property taxes are recorded in the general and sinking fund. Revenues in such funds are recognized in the accounting period in which an enforceable legal claim arises. Estimated uncollectible taxes are those taxes based on past experience which will not be collected in the subsequent year and are primarily due to subsequent adjustments to the tax roll. The School Board uses the lien date to establish the enforceable legal claim date. No receivable has been recorded for 2014 property taxes because the lien date is subsequent to year end.

The tax roll is prepared by the parish tax assessor in November of each year. The collection of the 2014 property taxes occurs in December, and January and February of the next year. As a result, no property taxes receivable for 2014 taxes is included on the accompanying balance sheet because none is available within 60 days of the School Board's year-end.

Historically, virtually all ad valorem taxes receivable are collected since they are secured by property. Therefore, there is no allowance for uncollectible taxes.

The following is a summary of authorized and levied (tax rate per \$1,000 Assessed Value) ad valorem taxes:

	Authorized Millage	Levied Millage	Expiration Date
Parish-wide taxes:			
Constitutional	4.76	4.60	Statutory
Operations	5.27	5.27	2022
Debt service	30.01	12.58	2029

**NOTE 3 - DEPOSITS** At June 30, 2014, the School Board has cash and cash equivalents of \$11,243,473 as follows:

Deposits are stated at cost, which approximates fair value. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

**Interest rate risk:** The School Board's policy does not address interest rate risk.

**Credit risk:** The School Board's policy does not address credit risk.

**Custodial credit risk:** At year end, the School Board's carrying amount of deposits was \$11,243,473 (Statement A - \$11,010,972 and Statement J - \$232,501) and the bank balance was \$12,286,368. Of the bank balance, \$651,578 was covered by federal depository insurance or by collateral held by the School Board's agent in the School Board's name. The remaining bank balance of \$11,634,790 was collateralized with securities held by the pledging financial institution's trust department or agent but not in the School Board's name. Louisiana Revised Statute 39:1229



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imposes a statutory requirement on the custodial bank to advertise and sell pledged securities within 10 days of being notified by the School Board that the fiscal agent has failed to pay deposited funds upon demand.

**NOTE 4 - RECEIVABLES** The balance of receivables at June 30, 2014, is shown below. The School Board expects to collect the full amount; therefore, no allowance for doubtful accounts has been established.

	General	Title I	SRCL	21st Century Grant	Debt Service	Nonmajor Governmental	Internal Service	Total
Intergovernmental - grants:								
Federal	\$ 5,796	\$ 720,986	\$ 630,128	\$ 403,700	\$ -	\$ 525,230	\$ -	\$ 2,285,840
State	10,413	-	-	-	-	38,289	-	48,702
Local sources:								
Sales tax	187,786	-	-	-	125,135	-	-	312,921
Other	77,997	-	-	-	-	-	73	78,070
Total	<u>\$ 281,992</u>	<u>\$ 720,986</u>	<u>\$ 630,128</u>	<u>\$ 403,700</u>	<u>\$ 125,135</u>	<u>\$ 563,519</u>	<u>\$ 73</u>	<u>\$ 2,725,533</u>

**NOTE 5 - CAPITAL ASSETS** Capital asset balances and activity for the year ended June 30, 2014 is as follows:

	Balance Beginning	Additions	Deletions	Balance Ending
Governmental activities				
Capital asset not being depreciated				
Land	\$ 939,093	\$ -	\$ -	\$ 939,093
Construction in progress	-	148,014	-	148,014
Capital assets being depreciated				
Buildings	42,390,691	710,705	-	43,101,396
Furniture and equipment	4,548,753	616,077	597,051	4,567,779
Total capital assets being depreciated	46,939,444	1,326,782	597,051	47,669,175
Less accumulated depreciation				
Buildings	11,052,518	904,038	-	11,956,556
Furniture and equipment	3,171,806	328,135	597,051	2,902,890
Total accumulated depreciation	14,224,324	1,232,173	597,051	14,859,446
Total capital assets being depreciated, net	32,715,120	94,609	-	32,809,729
Governmental activities				
Capital assets, net	<u>\$ 33,654,213</u>	<u>\$ 242,623</u>	<u>\$ -</u>	<u>\$33,896,836</u>

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Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 848,144
Special programs	50,607
Vocational programs	3,959
Other instructional programs	90,008
Student services	753
Instructional staff support	24,505
General administration	3,689
Business services	7,493
Plant services	18,790
Student transportation services	125,986
Food services	58,239
Total depreciation expense	<u>\$ 1,232,173</u>

**NOTE 6 - RETIREMENT SYSTEMS**

**Plan description** Substantially all School Board employees participate in either the Teachers' Retirement System or the School Employees' Retirement System (the Systems), which are cost-sharing, multiple-employer public employee retirement systems (PERS). Benefit provisions are ultimately approved and amended by the Louisiana Legislature.

Participation in the Teachers' Retirement System is divided into two plans - the Teachers' Regular Plan and the Teachers' Plan A. In general, professional employees (such as teachers and principals) and lunchroom workers are members of the Louisiana Teachers' Retirement System (TRS); other employees, such as custodial personnel and bus drivers, are members of the Louisiana School Employees' Retirement System (LSERS). Generally, all full-time employees are eligible to participate in the system.

With respect to the Teachers' Retirement System Regular Plan, normal retirement is at age 60 with ten years of service, or at any age with 20 years of service. The formula for annual maximum retirement benefits is generally two percent (with less than 25 years of service) or 2.5 percent (with 25 or more years of service) times the years of creditable service times the average salary of the 36 highest successive months (plus \$300 applicable to persons becoming members prior to July 1, 1986).

Under the Teachers' Retirement System Plan A, normal retirement is generally at any age with 30 or more years of creditable service, at age 55 with at least 25 years of creditable service and at age 60 with at least ten years of creditable service. The retirement benefit formula is generally three percent times the years of creditable service times the average salary of the 36 highest successive months plus \$24 per year of service.

Employees participating in the School Employees' Retirement System are eligible for normal retirement after 30 years of service, or after 25 years of service at age 55 or after ten years of service at age 60. The maximum retirement allowance is computed at 2.5 percent times the highest 36 months of average salary, times the years of service plus a supplement of \$2.00 per month times the years of service.

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Both TRS and LSERS issue annual financial reports. The reports can be obtained by telephoning or writing to the following:

<p>Teachers' Retirement System of Louisiana Post Office Box 94123 Baton Rouge, Louisiana 70804-9123 (225) 925-6446</p>	<p>Louisiana School Employees' Retirement System Post Office Box 44516 Baton Rouge, Louisiana 70804 (225) 925-6484</p>
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**Funding Policy** Each system is administered and controlled at the state level by a separate board of trustees, with contribution rates approved and amended by the Louisiana Legislature. Benefits of the systems are funded by employee and employer contributions. Benefits granted by the retirement systems are guaranteed by the state of Louisiana under provisions of the Louisiana Constitution of 1974.

In addition, the employer does not remit to the Teachers' Retirement System, Regular Plan or Plan A, the employer's contribution for the professional improvement program (PIP) portion of payroll. The PIP contribution is made directly to the Retirement System by the state of Louisiana. Contribution rates (as a percentage of covered salaries) for active plan members as established by the Louisiana Legislature for the year ended June 30, 2014, are as follows:

	<u>Employee</u>	<u>Employer</u>
Louisiana Teachers' Retirement System:		
Regular	8.0%	27.2%
Plan A	9.1%	32.6%
Louisiana School Employees' Retirement System	7.5/8.0%	32.3%

The School Board's contributions to Teacher's Retirement System for the years ending June 30, 2014, 2013, and 2012 were \$2,475,758, \$2,064,767, and \$2,133,858 respectively, equal to the required contributions for each year. The School Board's contributions to School Employees Retirement System for the years ending June 30, 2014, 2013, and 2012 were \$271,964, \$250,232, and \$231,399 respectively, equal to the required contributions of each year.

#### NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

**Plan description** - In accordance with state statutes, the School Board provides certain continuing health care and life insurance benefits for its retired employees on a pay-as-you-go basis. Substantially all of the School Board's employees become eligible for these benefits if they reach normal retirement age while working for the School Board. These benefits and similar benefits for active employees are provided through the Office of Group Benefits, whose monthly premiums are paid jointly by the employee and the School Board. The plan does not issue a stand alone financial report.

**Funding Policy** - The contribution requirements of plan members and the School Board are established and may be amended by LRS 42:801-883. Employees do not contribute to their post employment benefits cost until they become retirees and begin receiving those benefits. The retirees contribute to the cost of retiree healthcare based on a service schedule. Contribution amounts vary depending on the number of covered parties. If the employee alone is covered the retiree pays 20% and the employer pays 80%. Coverage for an employee plus one additional person is a 25%/75% split. Three or more people covered is a 30%/70% split. All life insurance paid is 75% paid by the employee and 25% paid by the employer.

The plan is currently financed on a pay as you go basis, with the School Board contributing \$973,337 for 185 retirees.

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Annual Other Post Employment Benefit Cost and Liability - The School Board's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45, which was implemented for the year ended June 30, 2009. The ARC represents a level of funding that, if paid on an ongoing basis, would cover normal cost each year and amortize any unfunded actuarial liabilities (UAL) over a period of thirty years. A 30 year, closed amortization period had been used. The level dollar amortization method was used. The total ARC for the fiscal year is \$2,294,558. The total ARC for the last three fiscal years are set forth below:

	<u>2014</u>
Normal Cost	\$ 972,175
30-year UAL amortization amount	1,322,383
Annual required contribution (ARC)	<u>\$ 2,294,558</u>

The following table presents the School Board's OPEB Obligation for fiscal years:

	<u>2014</u>	<u>2013</u>	<u>2012</u>
Beginning Net OPEB Obligation July 1	\$ 5,683,385	\$ 4,450,028	\$ 3,250,833
Annual required contribution	2,294,558	2,294,558	2,262,719
Interest on prior year Net OPEB Obligation	227,335	178,001	79,345
Adjustment to ARC	<u>(355,594)</u>	<u>(278,426)</u>	<u>(119,043)</u>
Annual OPEB Cost	2,166,299	2,194,133	2,223,021
Less current year retiree premiums	<u>973,337</u>	<u>960,776</u>	<u>1,023,826</u>
Increase in Net OPEB Obligation	<u>1,192,962</u>	<u>1,233,357</u>	<u>1,199,195</u>
Ending Net OPEB Obligation at June 30,	<u>\$ 6,876,347</u>	<u>\$ 5,683,385</u>	<u>\$ 4,450,028</u>

Utilizing the pay as you go method, the School Board contributed 45% of the annual postemployment benefits cost during 2014, 43% during 2013, and 46% during 2012.

Funded Status and Funding Progress - Since the plan is not funded, the School Board's entire actuarial accrued liability of \$21,135,367 was unfunded.

The funded status of the plan, as determined by an actuary as of July 1, 2012, was as follows:

	<u>2014</u>
Actuarial accrued liability (AAL)	\$ 21,135,367
Actuarial value of plan assets	<u>-</u>
Unfunded actuarial accrued liability (UAAL)	\$ 21,135,367
Funded ratio (actuarial value of plan assets/AAL)	0%
Covered payroll	\$ 10,761,372
UAAL as a percentage of covered payroll	196.40%

The required Schedule of Funding Progress immediately following the notes presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the

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funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities consistent with the long-term perspective of the calculations.

In the July 1, 2012, Madison Parish School Board actuarial valuation, the unit credit actuarial cost method was used. The actuarial assumptions included a 4.0 % investment rate of return and initial actual healthcare cost trend rate of 7.9% scaling down to ultimate rates of 4.5% per year. Included in the healthcare trend rate is a 2.75% long term inflation rate. The RP-2000 Combined Healthy Mortality Table projected to 2027 was used in making actuarial assumptions. Withdrawal rates for employees ranged from 7% at age 25 to 2% at age 50. Disability rates ranged from .01% at age 25 to .47% at age 55. Retirement rates ranged from 5% at age 38 to 100% at age 72. The remaining amortization period at June 30, 2014, was twenty-four years.

**NOTE 8 - ACCOUNTS, SALARIES, AND OTHER PAYABLES** Payables at year-end are as follows:

	Salaries	Accounts	Total
General	\$ 464,819	79,565	\$ 544,384
Title I	215,641	30,523	246,164
Striving Readers Comprehensive Literacy Program	50,449	78,734	129,183
21st Century Grant	139,242	58,750	197,992
Debt Service	-	2,176	2,176
Nonmajor Governmental	247,384	17,630	265,014
Internal service	-	2,036	2,036
Total	<u>\$ 1,117,535</u>	<u>\$ 269,414</u>	<u>\$ 1,386,949</u>

**NOTE 9 - COMPENSATED ABSENCES** At June 30, 2014, employees of the School Board have accumulated and vested \$612,181 of employee leave benefits, which were computed in accordance with GASB Codification Section C60.

**NOTE 10 - AGENCY FUND DUE OTHERS**

	Balance at Beginning of year	Additions	Deletions	Balance at Ending of year
Agency funds:				
Student activity funds	\$ 57,889	\$ 241,097	\$ 217,701	\$ 81,285
Sales tax collection fund	665,506	6,922,801	6,862,584	725,723
Total	<u>\$ 723,395</u>	<u>\$7,163,898</u>	<u>\$ 7,080,285</u>	<u>\$ 807,008</u>

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	Annual Totals- 2013-2014 Tax Periods (Cash Basis)		
	Total Collections	Collection Cost	Final Distribution
Madison Parish School Board			
Salaries (1%)	\$1,643,990	\$ 77,386	\$ 1,566,604
Maintenance (.5%)	816,607	38,115	778,492
Debt Service (1%)	1,334,913	41,064	1,293,849
	<u>3,795,510</u>	<u>156,565</u>	<u>3,638,945</u>
City of Tallulah (2%)	<u>1,283,785</u>	<u>42,244</u>	<u>1,241,541</u>
Madison Parish Sheriff's Office (.5%)	<u>780,235</u>	<u>33,829</u>	<u>746,406</u>
Madison Parish Police Jury (.5%)	<u>780,235</u>	<u>33,829</u>	<u>746,406</u>
Village of Delta (1%)	<u>24,956</u>	<u>1,043</u>	<u>23,913</u>
Village of Richmond (2%)	<u>237,052</u>	<u>7,863</u>	<u>229,189</u>
Total	<u>\$6,901,773</u>	<u>\$ 275,373</u>	<u>\$ 6,626,400</u>

**NOTE 11 - LONG-TERM LIABILITIES** The following is a summary of the long-term obligation transactions for the year:

The 2006 Sales Tax Revenue Bonds and the 2005 General Obligation Bonds were issued to finance construction.

In February 2002, the School Board received \$1,061,395 from Qualified Zone Academy Bonds. The Qualified Zone Academy Bond Program is a federal program offered to school districts to acquire interest-free debt for selected projects. The federal government covers all the interest on the bonds.

	Beginning Balance	Additions	Deletions	Ending Balance	Amounts Due Within One year
Governmental Activities					
Bonds payable:					
2006 Sales Tax Revenue Bond	\$ 8,070,000	\$ -	\$ 320,000	\$ 7,750,000	\$ 335,000
2005 General Obligation Bond	15,270,000	-	14,625,000	645,000	645,000
2013 General Obligation- Refunding	-	9,080,000	-	9,080,000	90,000
2014 General Obligation- Refunding	-	5,560,000	200,000	5,360,000	-
Qualified zone academy bond (QZAB)	252,714	-	101,085	151,629	151,629
Bond Premium	-	561,585	45,923	515,662	45,923
Other liabilities:					
Capital leases	72,317	-	72,317	-	-
Workers' compensation claims	342,000	(86,936)	176,064	79,000	25,000
OPEB liability	5,683,385	2,166,299	973,337	6,876,347	-
Compensated absences	591,915	369,464	349,198	612,181	349,198
Governmental activities					
Long-term liabilities	<u>\$ 30,282,331</u>	<u>\$ 17,650,412</u>	<u>\$ 16,862,924</u>	<u>\$ 31,069,819</u>	<u>\$ 1,641,750</u>

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Below is a schedule of principal and interest payments for the general obligation, sales tax revenue, and Qualified Zone Academy Bonds:

Year Ending June 30,	Principal Payments	Interest Payments	Total
2015	\$ 1,221,629	\$ 1,454,861	\$ 2,676,490
2016	1,110,000	818,573	1,928,573
2017	1,150,000	786,610	1,936,610
2018	1,190,000	748,360	1,938,360
2019	1,230,000	708,370	1,938,370
2020-2024	6,820,000	2,887,494	9,707,494
2025-2029	8,355,000	1,491,320	9,846,320
2030	1,910,000	82,164	1,992,164
Total	<u>\$ 22,986,629</u>	<u>\$ 8,977,752</u>	<u>\$ 31,964,381</u>

<u>General obligation</u>	<u>Original Issue</u>	<u>Interest Rate</u>	<u>Maturity Date</u>	Principal <u>Outstanding</u>
General obligation bonds Series 2005	\$18,500,000	4.50-5.25%	March 15, 2015	\$ 645,000
Sales tax revenue bonds Series 2006	9,660,000	4.50-5.25%	March 15, 2030	7,750,000
General obligation bonds Series 2013- Refunding	9,080,000	3.00-4.25%	March 15, 2030	9,080,000
General obligation bonds Series 2014- Refunding	5,560,000	2.00-3.00%	March 15, 2022	5,360,000

In accordance with Louisiana Revised Statute 39:562, the School Board is legally restricted from incurring long-term bonded debt in excess of 35 percent of the assessed value of taxable property. At June 30, 2014, the long term bonded debt balance was well below the legal limit. The bond payments are made by the debt service fund and QZAB and capital lease payments by the general fund. The compensated absences liability attributable to the governmental activities will be liquidated 100% by the general fund.

During the fiscal year 2014, the School Board issued \$14,640,000 in general obligation bonds to advance refund \$14,005,000 of general obligation bonds to reduce total future debt service payments. The refunding's are as follows:

- Issued \$9,080,000 in general obligation bonds, Series 2013, to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt payments for \$9,225,050 in general obligation bonds series 2005. As a result, these general obligation bonds are considered defeased and the liability for those bonds has been removed from the general obligation long-term debt. The amount paid to the escrow agent exceeded the bonds refunded by \$563,896. This amount is being netted against the new bonds and amortized over the remaining life of seventeen years which is the same life as the new bonds. The refunding bond issuance costs were \$186,193. The refunding resulted in a reduction of \$173,389 in future debt service payments over the next seventeen years for an economic benefit of \$164,750.
- Issued \$5,560,000 in general obligation bonds, Series 2014, to provide resources to purchase securities that were placed in an irrevocable trust for the purpose of generating resources for all future debt payments for \$5,707,813 in general obligation bonds series 2005. As a result, these general obligation bonds are considered defeased and the liability for those bonds has been removed from the general obligation long-term debt. The amount paid to the escrow agent exceeded the bonds refunded by \$337,970. This amount is being

Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

netted against the new bonds and amortized over the remaining life of seventeen years which is the same life as the new bonds. The refunding bond issuance costs were \$108,526. The refunding resulted in a reduction of \$338,689 in future debt service payments over the next seventeen years for an economic benefit of \$234,831.

The School Board defeased certain general obligation bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the School Board's financial statements. At June 30, 2014, \$14,005,000 of bonds outstanding are considered defeased.

**NOTE 12 - INTERFUND TRANSACTIONS (FFS LEVEL ONLY)**

**Interfund Receivable/Payable:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Title I	\$ 475,741
General Fund	Nonmajor Governmental	497,372
General Fund	Striving Readers	500,945
General Fund	21 Century Grant	192,709
Nonmajor Governmental	General Fund	79,087
Debt Service	General Fund	31,112
General Fund	Debt Service	840,694
General Fund	Internal Service	76,183
Total		<u>\$ 2,693,843</u>

The purpose of the interfund assets/liabilities between the general fund and grants funds was to cover current-year expenditures on cost reimbursement programs until the reimbursement requests are received. The general fund paid some bills of the debt service fund.

**Interfund Transfers:**

	<u>Transfer In</u>	<u>Transfer out</u>
Title I	\$ 74,406	\$ -
Debt Service	22	-
Nonmajor Governmental	-	74,428
Total	<u>\$ 74,428</u>	<u>\$ 74,428</u>

Excess cash was transferred from the capital project fund to the debt service fund. The transfer from the nonmajor governmental fund to the Title I fund was from the Title II program to the Title I program to cover program expenses and reallocate grant funding awarded.

**NOTE 13 - LITIGATION AND CONTINGENCIES**

**Litigation** At June 30, 2014, the School Board was involved in various litigations. It is the opinion of legal counsel for the School Board that ultimate resolution of these lawsuits would not materially affect the financial statements.

**Grant Disallowances** The School Board participates in a number of state and federally assisted grant programs. The programs are subject to compliance audits under the single audit approach. Such audits could lead to requests for reimbursement by the grantor agency for expenditures disallowed under terms of the grants. School Board



Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

management believes that the amount of disallowances, if any, which may arise from future audits will not be material.

**Tax Arbitrage Rebate** Under the Tax Reform Act of 1986, interest earned on the debt proceeds in excess of interest expense prior to the disbursement of the proceeds must be rebated to the Internal Revenue Service (IRS). Management believes there is no tax arbitrage rebate liability at year end.

**NOTE 14 - RISK MANAGEMENT** The School Board initiated a risk management program for workers' compensation in 1992. An excess insurance policy covers individual claims in excess of \$250,000.

Changes in the claims amount for the current fiscal year are as follows:

<u>Fiscal Year Ended</u>	<u>Beginning of fiscal year liability</u>	<u>Claims and changes in estimates</u>	<u>Benefit payments and claims</u>	<u>Ending of Fiscal year liability</u>
2011 - 2012	\$ 389,000	\$ 18,301	\$ 70,301	\$ 337,000
2012 - 2013	337,000	102,542	97,542	342,000
2013 - 2014	342,000	(86,936)	176,064	79,000

The School Board continues to carry commercial insurance for all other risks of loss. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years. The liability for unpaid claims is based on information provided by the third party administrator.

**NOTE 15 - ON-BEHALF PAYMENTS FOR FRINGE BENEFITS AND SALARIES** On-behalf payments for fringe benefits and salaries are direct payments made by an entity (the paying agent) to a third-party recipient for the employees of another, legally separate entity (the employer entity). GASB Statement No. 24 requires employer governments to recognize revenue and expenditures or expenses for these on-behalf payments.

The State of Louisiana made pension contributions (regarding Professional Improvement Program) directly to the Teachers' Retirement System of Louisiana on behalf of the School Board in the amount of \$18,175. This amount was recognized as state revenue with a corresponding expenditure in the applicable fund from which the salary was paid.

**NOTE 16 - ECONOMIC DEPENDENCY** Financial Accounting Standards Board Accounting Standards Codification (FASB ASC) 280-10-50-42 requires disclosure in financial statements of a situation where one entity provides more than 10% of the audited entity's revenues. The Minimum Foundation Funding provided by the state to all public school systems in Louisiana is based on several factors. The state provided \$8,459,670 to the School Board, which represents approximately 39.8% of the School Board's total revenue for the year.

**NOTE 17 - STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Excess of Actual Expenditures over Budgeted Expenditures**

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 13,048,051	\$ 14,802,358	\$ (1,754,307)

Actual expenditures exceeded budgeted expenditures because the last budget amendment was done several months before the year was complete.

Madison Parish School Board  
Notes to the Basic Financial Statements  
June 30, 2014

**NOTE 18 - FUND BALANCE CLASSIFICATIONS**

	General	Debt Service	Nonmajor Governmental	Total
Non spendable:				
Inventory	\$ -	\$ -	\$ 9,243	\$ 9,243
Prepaid items	282,103	-	-	282,103
Restricted for:				
Salaries	236,965	-	-	236,965
Debt service	-	4,545,055	-	4,545,055
Capital projects	-	-	691,980	691,980
School food service	-	-	245,877	245,877
Grants	-	-	1,695	1,695
Committed to:				
Maintenance	1,254,945	-	-	1,254,945
Health programs	-	-	80,655	80,655
Preschool	-	-	83,788	83,788
Unassigned	4,134,039	-	-	4,134,039
Total	<u>\$ 5,908,052</u>	<u>\$ 4,545,055</u>	<u>\$ 1,113,238</u>	<u>\$ 11,566,345</u>

**NOTE 19 - CHANGES IN PRESENTATION** In the current year the Striving Readers Comprehensive Literacy Program special revenue fund and the 21<sup>st</sup> Century Grant special revenue fund are major funds. Both funds are new in the current year.

**NOTE 20 - SUBSEQUENT EVENTS** In July the Sales Tax Office received payments made under protest of \$385,130 which was a payment for June sales tax. This amount was not included in the June sales tax distributions and was deposited in an escrow account.

## **REQUIRED SUPPLEMENTARY INFORMATION**

Madison Parish School Board

Schedule of Funding Progress For Other Post Employment Benefit Plan  
June 30, 2014  
(Unaudited)

		(a)	(b)	(b-a)	(a/b)	(c)	(b-a/c)
Fiscal	Actuarial	Actuarial	Actuarial	Unfunded	Funded	Covered	UAAL as a
Year	Valuation	Value of	Accrued	AAL	Ratio	Payroll	Percentage of
Ending	Date	Assets	Liability	(UAAL)			Covered
			(AAL)				Payroll
2009	7/1/2008	\$ -	\$ 20,679,069	\$ 20,679,069	0%	\$ 12,468,980	165.84%
2010	7/1/2008	-	20,679,069	20,679,069	0%	11,988,102	172.50%
2011	7/1/2010	-	21,125,362	21,125,362	0%	11,181,681	188.93%
2012	7/1/2010	-	21,125,362	21,125,362	0%	10,737,244	196.75%
2013	7/1/2012	-	21,135,367	21,135,367	0%	8,790,244	240.44%
2014	7/1/2012	-	21,135,367	21,135,367	0%	10,761,372	196.40%

Madison Parish School Board

Budgetary Comparison Schedules

General Fund and Major Special Revenue Funds With Legally Adopted Annual Budgets

**GENERAL FUND** The general fund accounts for all activities of the School Board except those that are accounted for in other funds.

**TITLE I** Title I improves the educational opportunities of educationally deprived children by helping them succeed in the regular school program, attain grade level proficiency and improve achievement in basic and more advanced skills. It is designed primarily to provide instructional activities to educationally deprived children that reside in low-income areas who have been selected on the basis of a needs assessment. These services supplement, not supplant, those normally provided by state and local educational agencies.

**STRIVING READERS COMPREHENSIVE LITERACY PROGRAM** Accounts for Federal Funds received to advance literacy skills, including pre-literacy skills, reading and writing for students from birth through 12<sup>th</sup> grade, including limited-English proficient students and students with disabilities.

**21ST CENTURY GRANT** Accounts for Federal Funds received to support the erection of community learning centers to provide academic enrichment opportunities during non-school hours for children, particularly students who attend higher-poverty and low performing schools.

MADISON PARISH SCHOOL BOARD

GENERAL FUND  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2014  
(Unaudited)

Exhibit 1-1

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ 8,030,013	\$ 8,030,013	\$ 8,030,013	\$ -
Resources (inflows)				
Local sources:				
Taxes:				
Ad valorem	1,415,000	1,415,000	1,243,869	(171,131)
Sales and use	1,900,000	2,100,000	2,466,237	366,237
Interest earnings	10,000	85,000	31,833	(53,167)
Other	120,000	170,000	200,322	30,322
State sources:				-
Equalization	9,990,773	7,829,278	8,419,932	590,654
Other	47,000	239,071	239,071	-
Federal sources	60,000	60,000	79,133	19,133
Amounts available for appropriations	21,572,786	19,928,362	20,710,410	782,048
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	5,857,735	5,212,678	6,988,722	(1,776,044)
Special programs	1,272,366	1,036,600	1,026,883	9,717
Other instructional programs	553,653	745,658	742,079	3,579
Support services:				
Student services	708,242	672,972	621,902	51,070
Instructional staff support	658,181	915,952	871,026	44,926
General administration	367,920	424,017	193,594	230,423
School administration	856,926	863,261	1,046,537	(183,276)
Business services	446,299	552,272	590,748	(38,476)
Plant services	1,662,586	1,386,020	1,404,795	(18,775)
Student transportation services	1,165,897	943,950	1,013,017	(69,067)
Food services	173,820	174,965	198,743	(23,778)
Community service programs	14,129	18,620	13,650	4,970
Capital Outlay	-	-	14,848	(14,848)
Debt service:				
Principal retirement	101,086	101,086	75,814	25,272
Interest and bank charges	-	-	-	-
Transfers to other funds	-	-	-	-
Total charges to appropriations	13,838,840	13,048,051	14,802,358	(1,754,307)
BUDGETARY FUND BALANCES, ENDING	\$ 7,733,946	\$ 6,880,311	\$ 5,908,052	\$ (972,259)

MADISON PARISH SCHOOL BOARD

TITLE I  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2014  
(Unaudited)

Exhibit 1-2

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	AMOUNTS	
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	2,170,675	2,170,675	1,745,657	(425,018)
Transfers from other funds	-	-	74,406	74,406
Amounts available for appropriations	2,170,675	2,170,675	1,820,063	(350,612)
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	270,765	270,765	129,398	141,367
Other instructional programs	911,935	911,935	983,925	(71,990)
Support services:				
Student services	174,877	174,877	127,550	47,327
Instructional staff support	643,798	643,798	432,147	211,651
General administration	169,300	169,300	145,161	24,139
Business services	-	-	1,760	(1,760)
Plant services	-	-	122	(122)
Total charges to appropriations	2,170,675	2,170,675	1,820,063	350,612
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

MADISON PARISH SCHOOL BOARD

STRIVING READERS COMPREHENSIVE LITERACY PROGRAM

Budgetary Comparison Schedule

For the Year Ended June 30, 2014

(Unaudited)

Exhibit 1-3

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET
				POSITIVE
				(NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (Inflows)				
Federal sources	1,355,389	1,355,389	931,205	(424,184)
Amounts available for appropriations	1,355,389	1,355,389	931,205	(424,184)
Charges to appropriations (outflows)				
Current:				
Instruction:				
Regular programs	617,388	617,388	226,801	390,587
Other instructional programs	-	-	285,847	(285,847)
Support services:				
Student services	-	-	94,442	(94,442)
Instructional staff support	632,289	632,289	251,558	380,731
General administration	105,712	105,712	72,557	33,155
Total charges to appropriations	1,355,389	1,355,389	931,205	424,184
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -



MADISON PARISH SCHOOL BOARD

21st CENTURY  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2014  
(Unaudited)

Exhibit 1-4

	BUDGETED AMOUNTS		ACTUAL	VARIANCE WITH
	ORIGINAL	FINAL	AMOUNTS	FINAL BUDGET POSITIVE (NEGATIVE)
BUDGETARY FUND BALANCES, BEGINNING	\$ -	\$ -	\$ -	\$ -
Resources (inflows)				
Federal sources	619,200	619,200	606,143	(13,057)
Amounts available for appropriations	619,200	619,200	606,143	(13,057)
Charges to appropriations (outflows)				
Current:				
Instruction:				
Other instructional programs	477,843	489,343	429,645	59,698
Support services:				
Instructional staff support	93,549	82,049	106,398	(24,349)
General administration	47,808	47,808	47,804	4
Plant services	-	-	7,264	(7,264)
Student transportation services	-	-	15,032	(15,032)
Total charges to appropriations	619,200	619,200	606,143	13,057
BUDGETARY FUND BALANCES, ENDING	\$ -	\$ -	\$ -	\$ -

Madison Parish School Board  
Notes to the Budgetary Comparison Schedules  
For the Year Ended June 30, 2014

**A. BUDGETS**

Formal budget integration (within the accounting records) is employed as a management control device. All budgets are controlled at the function level. Budget amounts included in the accompanying financial statements include the original adopted budget and all subsequent amendments.

**Budget Basis of Accounting** The major governmental funds' budgets are prepared on the modified accrual basis of accounting, a basis consistent with accounting principles generally accepted in the United States of America (GAAP). Budgeted amounts are originally adopted or amended by the Board. Legally, the Board must adopt a balanced budget; that is, total budgeted revenues and other financing sources including fund balance must equal or exceed total budgeted expenditures and other financing uses. State statutes require the Board to amend its budgets when revenues plus projected revenues within a fund are expected to be less than budgeted revenues by five percent or more and/or expenditures within a fund are expected to exceed budgeted expenditures by five percent or more. The School Board approves budgets at the function level and management can transfer amounts between line items within a function.

**B. EXCESS OF EXPENDITURES OVER BUDGET**

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
General	\$ 13,048,051	\$ 14,802,358	\$ (1,754,307)

MADISON PARISH SCHOOL BOARD

Notes to the Budgetary Comparison Schedule  
For the Year Ended June 30, 2014

Note C- Budget to GAAP Reconciliation - Explanation of differences between budgetary inflows and outflows and GAAP revenues and expenditures

	GENERAL FUND
<u>Sources/inflows of resources:</u>	
Actual amounts (budgetary basis) "available for appropriation" from the Budgetary Comparison Schedule	\$ 20,710,410
The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	<u>(8,030,013)</u>
Total revenues as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 12,680,397</u>
<u>Charges to appropriations (outflows):</u>	
Actual amounts (budgetary basis) "charges to appropriations" from the Budgetary Comparison Schedule	\$ 14,802,358
Transfers to other funds are outflows of budgetary resources but are not expenditures for financial reporting purposes.	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 14,802,358</u>

**SUPPLEMENTARY INFORMATION:**  
**COMBINING NONMAJOR GOVERNMENTAL FUNDS**

MADISON PARISH SCHOOL BOARD  
NONMAJOR GOVERNMENTAL FUNDS  
Combining Balance Sheet - By Fund Type  
June 30, 2014

Exhibit 2

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
ASSETS			
Cash and cash equivalents	\$ 537,037	\$ 691,980	\$ 1,229,017
Receivables	563,519	-	563,519
Interfund receivables	79,087	-	79,087
Inventory	34,402	-	34,402
	<u>1,214,045</u>	<u>691,980</u>	<u>1,906,025</u>
TOTAL ASSETS			
	<u>1,214,045</u>	<u>691,980</u>	<u>1,906,025</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts, salaries and other payables	265,014	-	265,014
Interfund payables	497,372	-	497,372
Unearned revenue	30,401	-	30,401
	<u>792,787</u>	<u>-</u>	<u>792,787</u>
Total Liabilities			
	<u>792,787</u>	<u>-</u>	<u>792,787</u>
Fund Balances:			
Nonspendable	9,243	-	9,243
Restricted	247,572	691,980	939,552
Committed	164,443	-	164,443
	<u>421,258</u>	<u>691,980</u>	<u>1,113,238</u>
Total Fund Balances			
	<u>421,258</u>	<u>691,980</u>	<u>1,113,238</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 1,214,045	\$ 691,980	\$ 1,906,025
	<u>\$ 1,214,045</u>	<u>\$ 691,980</u>	<u>\$ 1,906,025</u>

MADISON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type  
For the Year Ended June 30, 2014

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
REVENUES			
Local sources:			
Interest earnings	\$ 358	\$ 22	\$ 380
Food services	28,659	-	28,659
Other	160,214	-	160,214
State sources:			
Equalization	39,738	-	39,738
Other	303,135	-	303,135
Federal sources	2,038,646	-	2,038,646
Total Revenues	2,570,750	22	2,570,772
EXPENDITURES			
Current:			
Instruction:			
Regular programs	333,751	-	333,751
Special programs	169,538	-	169,538
Other instructional programs	256,014	-	256,014
Support services:			
Student services	348,979	-	348,979
Instructional staff support	312,422	-	312,422
General administration	143,440	-	143,440
Plant services	1,258	-	1,258
Food services	1,106,299	-	1,106,299
Total Expenditures	2,671,701	-	2,671,701
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	\$ (100,951)	\$ 22	\$ (100,929)

(Continued)

MADISON PARISH SCHOOL BOARD

NONMAJOR GOVERNMENTAL FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances - By Fund Type  
For the Year Ended June 30, 2014

Exhibit 3

	SPECIAL REVENUE	CAPITAL PROJECT	TOTAL
OTHER FINANCING SOURCES (USES)			
Transfers in	\$ -	\$ -	\$ -
Transfers out	(74,406)	(22)	(74,428)
Total Other Financing Sources (Uses)	(74,406)	(22)	(74,428)
Net change in fund balances	(175,357)	-	(175,357)
FUND BALANCES - BEGINNING	596,615	691,980	1,288,595
FUND BALANCES - ENDING	\$ 421,258	\$ 691,980	\$ 1,113,238

(Concluded)

Madison Parish School Board  
Nonmajor Special Revenue Funds

**TITLE II** To improve the skills of teachers and the quality of instruction in the mathematics and science, also to increase the accessibility of such instruction to all students.

**PRESCHOOL** These grants to states assist them in providing a free, appropriate public education to preschool disabled children aged three through five years.

**IDEA** These grants to states assist them in providing a free appropriate public education to all children with disabilities.

**VOCATIONAL EDUCATION** The purpose of these grants is to make the United States more competitive in the world economy by developing more fully the academic and occupational skills of all segments of the population, principally through concentrating resources on improving educational programs leading to academic and occupational skills needed to work in a technologically advanced society.

**SCHOOL FOOD SERVICE** Through cash grants and food donations, the school food service fund assists in providing a nutritious breakfast and lunch service for school students and encourages the domestic consumption of nutritious agricultural commodities.

**RURAL EDUCATION ACHIEVEMENT (REAP)** To provide financial assistance to rural districts to carry out activities to help improve the quality of teaching and learning.

**JOBS FOR AMERICA'S GRADUATES (JAG)** A school to career program to keep young people in school through graduation and provide work based learning experiences.

**LA4** This fund accounts for the preschool program funded by the State.

**EDUCATIONAL EXCELLENCE** This fund accounts for monies received from the state education excellence fund. The funds are to be expended in accordance with the School Board's plan submitted and approved by the State Department of Education.

**8G EARLY CHILDHOOD** To provide high quality early childhood educational experiences to four year old children who are considered to be at risk of achieving later academic success.

**RACE TO THE TOP** Race to the top subgrants to LEAs are designed to address five main areas: (1) state success factors, (2) standards and assessment, (3) data systems to support instruction, (4) great teachers and leaders, and (5) turning around low performing schools.

**HEALTH PROGRAMS** This fund accounts for the money received for the school based health program.

**SOUTHERN REGIONAL EDUCATIONAL BOARD** To provide funds to prepare teachers to use tools and strategies to improve both literacy and content achievement in grades 6-12.

**MISCELLANEOUS FUNDS** This fund accounts for various small local, state, and federal grants.



MADISON PARISH SCHOOL BOARD  
NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2014

	TITLE II	PRESCHOOL	IDEA	VOCATIONAL EDUCATION
ASSETS				
Cash and cash equivalents	\$ 51	\$ -	\$ -	\$ -
Receivables	82,192	3,136	130,220	13,920
Interfund receivables	3,117	-	-	-
Inventory	-	-	-	-
<b>TOTAL ASSETS</b>	<b>85,360</b>	<b>3,136</b>	<b>130,220</b>	<b>13,920</b>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Accounts, salaries and other payables	62,300	-	11,702	-
Interfund payable	23,060	2,840	115,660	13,513
Unearned revenues	-	296	2,858	407
<b>Total Liabilities</b>	<b>85,360</b>	<b>3,136</b>	<b>130,220</b>	<b>13,920</b>
Fund Balances:				
Nonspendable	-	-	-	-
Restricted	-	-	-	-
Committed	-	-	-	-
Unassigned	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 85,360</b>	<b>\$ 3,136</b>	<b>\$ 130,220</b>	<b>\$ 13,920</b>

Exhibit 4

SCHOOL FOOD SERVICE	REAP	JAG	LA 4	EDUCATIONAL EXCELLENCE	8G EARLY CHILDHOOD
\$ 345,363	\$ -	\$ -	\$ 2,350	\$ 86,754	\$ -
71,118	6,390	38,293	103,163	-	17,380
19,476	-	-	53,194	-	-
34,402	-	-	-	-	-
470,359	6,390	38,293	158,727	86,754	17,380
86,523	2,510	3,815	59,642	2,966	8,546
103,557	3,880	34,478	97,404	-	8,834
25,159	-	-	1,681	-	-
215,239	6,390	38,293	158,727	2,966	17,380
9,243	-	-	-	-	-
245,877	-	-	-	-	-
-	-	-	-	83,788	-
-	-	-	-	-	-
255,120	-	-	-	83,788	-
\$ 470,359	\$ 6,390	\$ 38,293	\$ 158,727	\$ 86,754	\$ 17,380

(CONTINUED)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
Combining Balance Sheet  
June 30, 2014

Exhibit 4

	RACE TO THE TOP	HEALTH PROGRAMS	SOUTHERN REGIONAL EDUCATION BOARD	MISCELLANEOUS FUNDS	TOTAL
ASSETS					
Cash and cash equivalents	\$ -	\$ 95,733	\$ -	\$ 6,786	\$ 537,037
Receivables	45,170	-	34,532	17,985	563,519
Interfund receivables	-	3,300	-	-	79,087
Inventory	-	-	-	-	34,402
<b>TOTAL ASSETS</b>	<b>45,170</b>	<b>99,033</b>	<b>34,532</b>	<b>24,771</b>	<b>1,214,045</b>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts, salaries and other payables	-	18,249	2,856	5,905	265,014
Interfund payable	45,170	129	31,676	17,171	497,372
Unearned revenues	-	-	-	-	30,401
<b>Total Liabilities</b>	<b>45,170</b>	<b>18,378</b>	<b>34,532</b>	<b>23,076</b>	<b>792,787</b>
Fund Balances:					
Nonspendable	-	-	-	-	9,243
Restricted	-	-	-	1,695	247,572
Committed	-	80,655	-	-	164,443
<b>Total fund balances</b>	<b>-</b>	<b>80,655</b>	<b>-</b>	<b>1,695</b>	<b>421,258</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 45,170</b>	<b>\$ 99,033</b>	<b>\$ 34,532</b>	<b>\$ 24,771</b>	<b>\$ 1,214,045</b>

(CONCLUDED)

MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2014

	TITLE II	PRESCHOOL	IDEA	VOCATIONAL EDUCATION
REVENUES				
Local sources:				
Interest earnings	\$ -	\$ -	\$ -	\$ -
Food service	-	-	-	-
Other	-	-	-	-
State sources:				
Equalization	-	-	-	-
Other	-	-	-	-
Federal sources:	356,757	23,638	434,529	20,945
Total revenues	<u>356,757</u>	<u>23,638</u>	<u>434,529</u>	<u>20,945</u>
EXPENDITURES				
Current:				
Instruction:				
Regular programs	120,976	-	-	-
Special programs	-	21,697	139,299	-
Other instructional programs	-	-	2,135	13,961
Support services:				
Student services	-	-	191,457	-
Instructional staff support	139,360	-	79,641	6,984
General administration	22,015	1,941	21,369	-
Plant services	-	-	628	-
Food services	-	-	-	-
Total expenditures	<u>282,351</u>	<u>23,638</u>	<u>434,529</u>	<u>20,945</u>
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	<u>74,406</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	-	-	-
Transfers out	(74,406)	-	-	-
Total Other Financing Sources ( Uses)	<u>(74,406)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	-	-	-
FUND BALANCES - BEGINNING	-	-	-	-
FUND BALANCES - ENDING	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Exhibit 5

SCHOOL FOOD SERVICE	REAP	JAG	LA 4	EDUCATIONAL EXCELLENCE	8G EARLY CHILDHOOD
\$ 358	\$ -	\$ -	\$ -	\$ -	\$ -
28,659	-	-	-	-	-
8,957	-	-	-	-	-
39,738	-	-	-	-	-
-	-	-	100,916	88,802	53,102
912,683	34,449	100,048	88,271	-	-
990,395	34,449	100,048	189,187	88,802	53,102
-	23,228	89,028	-	4,250	-
-	-	-	-	-	-
-	62	852	182,260	-	53,102
-	-	-	-	-	-
-	8,678	2,170	-	56,835	-
26	2,481	7,998	6,927	-	-
-	-	-	-	-	-
1,105,181	-	-	-	-	-
1,105,207	34,449	100,048	189,187	61,085	53,102
(114,812)	-	-	-	27,717	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
(114,812)	-	-	-	27,717	-
369,932	-	-	-	56,071	-
\$ 255,120	\$ -	\$ -	\$ -	\$ 83,788	\$ -

(CONTINUED)

## MADISON PARISH SCHOOL BOARD

NONMAJOR SPECIAL REVENUE FUNDS  
Combining Statement of Revenues, Expenditures,  
and Changes in Fund Balances  
For the Year Ended June 30, 2014

Exhibit 5

	RACE TO THE TOP	HEALTH PROGRAMS	SOUTHERN REGIONAL EDUCATION BOARD	MISCELLANEOUS FUNDS	TOTAL
<b>REVENUES</b>					
Local sources:					
Interest earnings	\$ -	\$ -	\$ -	\$ -	\$ 358
Food service	-	-	-	-	28,659
Other	-	149,607	-	1,650	160,214
State sources:					
Equalization	-	-	-	-	39,738
Other	-	-	53,773	6,542	303,135
Federal sources:	48,633	-	-	18,693	2,038,646
Total revenues	48,633	149,607	53,773	26,885	2,570,750
<b>EXPENDITURES</b>					
Current:					
Instruction:					
Regular programs	47,572	-	48,697	-	333,751
Special programs	-	-	-	8,542	169,538
Other instructional programs	1,061	-	414	2,167	256,014
Support services:					
Student services	-	157,239	-	283	348,979
Instructional staff support	-	1,427	4,662	12,665	312,422
General administration	-	77,125	-	3,558	143,440
Plant services	-	630	-	-	1,258
Food services	-	-	-	1,118	1,106,299
Total expenditures	48,633	236,421	53,773	28,333	2,671,701
EXCESS (Deficiency) OF REVENUES OVER EXPENDITURES	-	(86,814)	-	(1,448)	(100,951)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	(74,406)
Total Other Financing Sources (Uses)	-	-	-	-	(74,406)
Net change in fund balances	-	(86,814)	-	(1,448)	(175,357)
FUND BALANCES - BEGINNING	-	167,469	-	3,143	596,615
FUND BALANCES - ENDING	\$ -	\$ 80,655	\$ -	\$ 1,695	\$ 421,258

(CONCLUDED)

Madison Parish School Board  
Agency Funds

SALES TAX AGENCY FUND The School Board collects all sales tax for the parish and disburses to the appropriate governments.

SCHOOL ACTIVITIES FUND The activities of the various individual school accounts are accounted for in the school activities agency fund. While the accounts are under the supervision of the School Board, they belong to the individual schools or their student bodies and are not available for use by the School Board.

MADISON PARISH SCHOOL BOARD

AGENCY FUNDS

Combining Schedule of Assets and Liabilities  
June 30, 2014

Exhibit 6

	SALES TAX AGENCY FUND	SCHOOL ACTIVITIES AGENCY FUND	TOTAL AGENCY FUNDS
ASSETS			
Cash and cash equivalents	\$ 151,216	\$ 81,285	\$ 232,501
Receivables	574,507	-	574,507
Total Assets	<u>725,723</u>	<u>81,285</u>	<u>807,008</u>
LIABILITIES			
Deposits due others	<u>725,723</u>	<u>81,285</u>	<u>807,008</u>
Total Liabilities	<u>\$ 725,723</u>	<u>\$ 81,285</u>	<u>\$ 807,008</u>



MADISON PARISH SCHOOL BOARD

AGENCY FUNDS - SCHOOL ACTIVITIES FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 2014

Exhibit 7

<u>SCHOOL</u>	<u>Balance, Beginning</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance, Ending</u>
Madison High School	\$ 36,380	\$ 151,207	\$ 131,835	\$ 55,752
Tallulah Elementary School	3,333	27,713	26,226	4,820
Madison Middle School	13,790	29,832	24,452	19,170
Wright Elementary School	4,386	32,345	35,188	1,543
Totals	<u>\$ 57,889</u>	<u>\$ 241,097</u>	<u>\$ 217,701</u>	<u>\$ 81,285</u>

MADISON PARISH SCHOOL BOARD

AGENCY FUNDS- SALES TAX AGENCY FUND  
Schedule of Changes in Deposits Due Others  
For the Year Ended June 30, 2014

Exhibit 8

DEPOSIT BALANCE AT BEGINNING OF YEAR	<u>\$ 665,506</u>
ADDITIONS:	
Sales tax collections	<u>6,922,801</u>
SETTLEMENTS:	
Madison Parish School Board	
Salaries	1,647,485
Maintenance	819,134
Debt service	1,338,872
City of Tallulah	1,288,019
Sheriff's Office	782,231
Police Jury	782,231
Village of Delta	25,454
Village of Richmond	239,374
Protested taxes	(89,520)
Various expenses	29,304
	<u>6,862,584</u>
Total settlements	<u>6,862,584</u>
DEPOSIT BALANCE AT END OF YEAR	<u>\$ 725,723</u>

Madison Parish School Board  
General

Schedule of Compensation Paid Board Members  
For the Year Ended June 30, 2014

Exhibit 9

The schedule of compensation paid School Board members is in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature. Compensation of the School Board members is included in the general administrative expenditures of the general fund. In accordance with Louisiana Revised Statute 17:56, the School Board members have elected the monthly payment method of compensation. Under this method, each member of the School Board receives \$800 per month and the President receives an additional \$100 per month.

<u>Board Member</u>	<u>Amount</u>
Jann W. Buchanan, President	\$ 10,800
Oscar Hamilton, Vice President	9,600
Vera Davis	9,600
Eddie Fountain	9,600
Paula Hamilton	9,600
Marguerite Hargrave	9,600
Randy Morgan	9,600
Jerry Richardson	9,600
Total	<u>\$ 78,000</u>

**Madison Parish School Board**

**OTHER REPORTS REQUIRED BY  
*GOVERNMENTAL AUDITING STANDARDS*  
AND BY THE OFFICE OF MANAGEMENT  
AND BUDGET (*OMB*) *CIRCULAR A-133***

# HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA  
David Ray Soignier, CPA, MBA, CGMA

John Herman, CPA  
Lynn Andries, CPA, CGMA  
Esther Atteberry, CPA  
Lori Woodard, MBA, CPA, CGMA, CITP  
Fernando Cordova, CPA

## INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

**Members of the School Board  
Madison Parish School Board  
Tallulah, Louisiana**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Madison Parish School Board, Louisiana (the School Board), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the School Board's basic financial statements, and have issued our report thereon dated January 19, 2015.

### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the School Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings as Findings 2014-01, 2014-02, 2014-03, and 2014-06 to be material weaknesses.

### **Compliance and Other Matters**

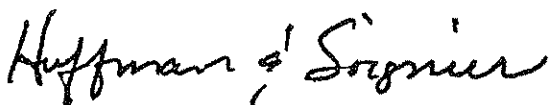
As part of obtaining reasonable assurance about whether the School Board's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as Findings 2014-04, 2014-05 and 2014-06.

### **The School Board's Response to Findings**

The School Board's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. The School Board's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in cursive script that reads "Huffman & Signier".

**(A Professional Accounting Corporation)**

**January 19, 2015**

# HUFFMAN & SOIGNIER

(A PROFESSIONAL ACCOUNTING CORPORATION)  
CERTIFIED PUBLIC ACCOUNTANTS

Francis I. Huffman, CPA  
David Ray Soignier, CPA, MBA, CGMA

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Fernando Cordova, CPA

## INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

**Madison Parish School Board  
Tallulah, Louisiana**

### **Report on Compliance for Each Major Federal Program**

We have audited **Madison Parish School Board's** (the School Board) compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the School Board's major federal programs for the year ended June 30, 2014. The School Board's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

### ***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the School Board's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the School Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the School Board's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the School Board, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

## Report on Internal Control Over Compliance

Management of the School Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the School Board's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the School Board's internal control over compliance.

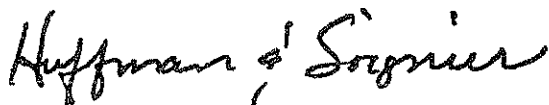
Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and significant deficiencies.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-06 to be a material weakness.

*A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2014-06 to be a significant deficiency.

The School Board's response to the internal control over compliance findings identified in our audit is described in the accompanying schedule of findings and questioned costs. The School Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



(A Professional Accounting Corporation)  
January 19, 2015



Madison Parish School Board  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/PROGRAM NAME	CFDA Number	Pass-Through Grantor No.		Expenditures
United States Department of Agriculture Passed through Louisiana Department of Education:				
Non-cash assistance (commodities):				
National School Lunch Program	10.555	N/A	\$ 58,781	
Cash assistance:				
National School Lunch Program	10.555	N/A	544,704	
School Breakfast Program	10.553	N/A	241,818	
Summer Food Program	10.559	N/A	29,846	875,149
Fresh Fruit and Vegetable Program	10.582	N/A		37,534
Total United States Department of Agriculture				<u>912,683</u>
United States Department of Education Passed Through Louisiana Department of Education:				
Title I Part A Cluster:				
Basic Grant Program	84.010	28-13-T1-33		1,745,657
Special Education:				
Grants to States (Part B)	84.027	28-14-B1-33	434,529	
Preschool Grants	84.173	28-14-P1-33	<u>23,638</u>	458,167
Vocational Education:				
Basic Grants to States	84.048	28-13-02-33; 28-14-02-33		20,945
State Personnel Development Grant	84.323	28-12-P4-33		18,693
Race to the Top ARRA	84.413	28-12-RT-33; 28-12-RC-33		49,833
Improving Teacher Quality State Grants (Title II)	84.367	28-14-50-33		356,757
Rural Education Achievement Program	84.358	28-14-RE-33		34,449
Advance Placement Fee	84.330	28-14-26-33		45
Striving Readers Comprehensive Literacy Program	84.371	28-14-50-33		931,205
21st Century Community Learning Centers	84.287			<u>606,143</u>
Total United States Department of Education				<u>4,221,894</u>
United States Department of Health and Human Services				
Temporary Assistance for Need Families	93.558B	28-14-JS-33; 28-14-36-33		188,319
United States Department of Defense Direct Program:				
Junior Reserve Officer Training Corps (JROTC)	12.UKN	N/A		64,515
United States Department of the Interior Passed Through Madison Parish Sheriff's Office:				
Federal Refuge Revenue Sharing	15.659	FRRS2012		29,934
TOTAL				<u>\$ 5,417,345</u>

Madison Parish School Board  
Notes to the Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2014

**NOTE 1 - GENERAL** The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards programs of the Madison Parish School Board. The School Board reporting entity is defined in Note 1 to the School Board's basic financial statements. Federal awards received directly from federal agencies, as well as federal awards passed through other government agencies, are included in the schedule.

**NOTE 2 - BASIS OF ACCOUNTING** The accompanying Schedule of Expenditures of Federal Awards is presented using the modified accrual basis of accounting, which is described in Note 1 to the School Board's basic financial statements.

**NOTE 3 - RELATIONSHIP TO BASIC FINANCIAL STATEMENTS** Federal awards revenues are reported in the School Board's basic financial statements as follows:

Major Funds:	
General Fund	\$ 79,133
Title I	1,745,657
Striving Readers Comprehensive Literacy Program	931,205
21st Century Grant	606,143
Debt Service	16,561
Nonmajor Special Revenue Funds:	
Title II	356,757
Preschool	23,638
IDEA	434,529
Vocational Education	20,945
School Food Service	912,683
REAP	34,449
JAG	100,048
LA4	88,271
Race to the Top	48,633
Miscellaneous	18,693
Total	<u>\$ 5,417,345</u>

**NOTE 4 - RELATIONSHIP TO FEDERAL FINANCIAL REPORTS** Amounts reported in the accompanying schedule agree with the amounts reported in the related federal financial reports except for changes made to reflect amounts in accordance with accounting principles generally accepted in the United States of America.

**NOTE 5 - MATCHING REVENUES** For those funds that have matching revenues and state funding, federal expenditures were determined by deducting matching revenues from total expenditures.

**NOTE 6 - NONCASH PROGRAMS** The commodities received, which are noncash revenues, are valued using prices provided by the United States Department of Agriculture.

**MADISON PARISH SCHOOL BOARD  
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

Section I – Summary of Auditors’ Results

Financial Statements

Type of Auditors’ Report Issued: Unqualified

Internal Control Over Financial Reporting

Material Weakness(es) identified?   X   Yes      No

Significant Deficiency(s) identified not considered to be material weaknesses?      Yes   X   None Reported

Noncompliance material to financial statements noted?   X   Yes      No

Federal Awards

Internal Control Over Major Programs

Material weakness(es) identified?   X   Yes      No

Significant Deficiency(s) identified not considered to be material weakness(es)?      Yes   X   None Reported

Type of auditor’s report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, Section 510(a)?   X   Yes      No

Dollar threshold used to distinguish between Type A and Type B programs \$300,000

Auditee qualified as low-risk auditee?      Yes   X   No

Identification of Major Programs:

<u>CFDA#</u>	<u>PROGRAM TITLE</u>
84.010A	Title I Grants to Local Educational Agencies
84.287	21st Century Community Learning Centers
84.371	Striving Readers Comprehensive Literacy Program

**MADISON PARISH SCHOOL BOARD  
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Section II – Financial Statement Findings and Questioned Costs:**

**2014-01 Internal Control-Sales Tax Collector**

**(First reported in FY13)**

**Finding**

Madison Parish School Board (the School Board) is the sales tax collector for the parish and collects taxes on behalf of itself and five other local governments: Madison Parish Police Jury, the City of Tallulah, the Village of Richmond, the Village of Delta and the Madison Parish Sheriff's Office. Total collections and disbursements amounted to approximately \$7 million in fiscal year 2014, of which the School Board received approximately \$3.8 million in fiscal year 2014. This represents approximately 18% of total revenues for the School Board. Until fiscal year 2013, two people were employed in this department. Beginning in fiscal year 2013, the department has been relegated to one employee for an extended period of time. This one employee sends out notices, receives payments, deposits payments and determines the amounts and payees of all payments. There are no controls in place verifying that charges are correct, monies received are properly deposited and coded to the proper taxing authority or that payments are made in a timely manner and in appropriate amounts. This same employee also handles the same functions for occupational licenses in the same manner. Aside from the lack of controls, the School Board is also exposed to a significant degree of risk should its current employee have to take a leave of absence for an extended period of time.

It is the School Board's responsibility to ensure that all businesses are paying their sales taxes and occupational license fees. This procedure is usually completed by verifying that businesses operating within the parish are on the list of businesses paying said monies to the School Board. However, there is no such action taking place by the School Board and there are no other controls in place to ensure that all entities are held accountable for the sales taxes and occupational license fees owed to the various entities.

Finally, it should also be noted that the School Board has a fiduciary responsibility to other local governments since the School Board is the sole sales tax collector for Madison Parish. These five local governments depend upon the School Board to function at a level that ensures the remittance of the share of taxes due to them on an ongoing dependable basis.

**Recommendation**

We recommend that the School Board either hire another employee to allow for the implementation of sound internal controls for all aspects for the collection and disbursements of sales taxes or to contract its sales tax collection duties to another entity that operates with functioning controls and has experience handling the collections for other entities. We further suggest that controls be implemented to ensure that all businesses are held responsible for funds owed to the various entities.

**Corrective Action Plan**

Given the significance of the issue raised, the School Board has reviewed the procedures and processes in place and has already made plans to move an additional employee into this department. Also, they will continue to evaluate the processes in place to ensure that proper controls are established within this department.

**MADISON PARISH SCHOOL BOARD  
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**2014-02 Internal Controls-General Status of the Business Department (First reported in FY13)**

**Finding**

Many of the key positions in the business office are staffed by one employee. These key positions include payroll, human resources, purchasing, Federal programs and the previously discussed sales tax collector. Additionally, there is a lack of cross training in each of these areas. The inadequate backup support in each of these areas lends the School Board to substantial risk should any one of these key employees become unavailable for work. Additionally, during the year the School Board laid off its acting business manager as part of its reduction in force due to the opening of a charter school which substantially impacted enrollment numbers and therefore, its' funding. Such action significantly impacted the already delicate balance of staffing previously described to a point where proper segregation of internal controls is no longer possible due to the lack of this key position.

**Recommendation**

The first step in addressing this issue is to strongly consider the need for reactivating its business manager position. While we do understand the financial aspect that entered into the School Board's decision to lay off the acting business manager, it is not offset by a reduction in the resulting business risks that the School Board faces as a result of this layoff due to the failure to maintain proper segregation of internal controls. Secondly, the School Board needs to address the ability to accumulate accurate nonfinancial data for reporting. Finally, the School Board needs to review what it can do to cross train, especially with the critical role of payroll.

**Corrective Action Plan**

The School Board has hired a contract CPA firm to act as the Business Manager. The Business Manager is currently reviewing the procedures and policies in place and is implementing additional internal controls as considered necessary. Also, the School Board is evaluating the current personnel and procedures to begin / continue cross-training staff.

**2014-03 School Activity Funds**

**Finding**

We pulled supporting documentation for the largest month of activity for each of the four schools' activity funds. In reviewing the documentation, we noted for each of the schools that pre-numbered receipts were not used to record the receipting of funds, bank reconciliations were limited to recording the bank activity for the month only without taking into account other activity that had occurred during the month but had not cleared the bank, and invoices for disbursements did not always reflect the purpose for the transaction. Additionally, we did not observe sign-offs by the person instating the transaction, nor a supervisor. Finally, each of the schools had some invoices that included sales taxes which were included in the payment by the school.

**MADISON PARISH SCHOOL BOARD  
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Recommendation**

We recommend that the School Board set policies and procedures in place that require monthly reconciliations of these bank statements that includes all transactions that occurred during the month, not just what cleared the bank. All incoming funds should be receipted with a pre-numbered receipt, all disbursements should have documentation that has the purpose for the purchase instead of just the invoice and reemphasize the need to have the tax exempt certificate on hand for all purchases. Finally, proper sign-offs should accompany each step of the day-to-day process.

**Corrective Action Plan**

The School Board will evaluate the current controls and procedures at each school and will ensure that adequate internal controls are implemented. Some controls to be specifically reviewed are bank reconciliations completed monthly and school records adequately reviewed and approved, as well as various others as considered necessary. Also, the School Board will ensure that adequate training is provided to each school with regard to proper procedures and policies.

**2014-04 Local Government Budget Act**

**Finding**

The Local Government Budget Act provides, among other things, for the amendment of the budget when actual expenditures exceed budgeted amounts by 5% or more. In fiscal year 2014, the School Board's General Fund had actual expenditures of \$14,802,358 which exceeded its budgeted expenditures of \$13,048,051 by 13.4%. This variance was caused by amending the budget at mid-year when the School Board recognized it would not be within the 5% requirement but did not amend it again towards the end of the year when additional expenses were incurred beyond expectations. Failure to properly anticipate such expenses can lead to financial decisions that would have been made differently had all information been correctly presented.

**Recommendation**

We recommend that the School Board and the Business Manager continue to work together to monitor the financial position and resources of all funds to provide for sound financial planning.

**Corrective Action Plan**

The School Board takes great efforts to ensure compliance with the Local Government Budget Act. With the addition of the contract CPA firm in November of 2014, we will be in a better position to anticipate needed amendments to the budget in the future.

**MADISON PARISH SCHOOL BOARD  
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**2014-05 Financial Statements Not Filed Timely**

**First reported - 2012**

**Finding**

LA R.S. 24:513 requires that the School Board prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

**Recommendation**

The School Board, with the help of its contract CPA, made significant strides in its financial operations. Due to in-house issues at the School Board's auditing firm, this filing was delayed until January 20, 2015.

**Corrective Action Plan**

The School Board has established procedures to ensure that financial information is readily available for audit. Also, the School Board has worked to ensure that financial records are up-to-date. The School Board will work closely with the audit firm to ensure that the audit is submitted timely in the future.

**2014-06 Internal Controls - Federal**

**Finding**

Madison Parish School Board internal controls were insufficient with respect to Federal programs for the year ended June 30, 2014. Internal controls should be designed and operating such that material misstatements will be discovered and corrected in a timely manner. New personnel were not appropriately trained by the departing personnel and, as a result, bookkeeping errors occurred that were not discovered and remedied in a timely manner. Sixteen federal programs experienced drawdowns not equal to expenses for the months being requested for five or more times during the year due to requesting funds before the month was closed. As a result, not all expenditures had been posted and had not been included in the original request for that month. In a subsequent month, the variance was requested and received but not before a new variance was created, again, from not waiting until the month was closed before for the next request was made. The contract CPA had to make year-end adjusting journal entries to 22 of the 24 funds dedicated to Federal monies in order to reconcile the funds. Fourteen funds had adjustments made to their revenue accounts netting to \$13,748. While the adjustments were made to correct accounts, these corrections were not made in a timely manner.

**Recommendation**

Management should be aware of the need for cross-training of individuals as much as possible to avoid such an issue in the future. However, it should also be noted that subsequent to year-end, these reconciliations and extensive work and training with the contract CPA have given the Grant Manager a better understanding of operations. Additionally, internal controls have been strengthened to identify and correct any misstatements in a timely manner.

**MADISON PARISH SCHOOL BOARD  
TALLULAH, LOUISIANA**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE YEAR ENDED JUNE 30, 2014**

**Corrective Action Plan**

Having already dealt with this issue, the reconciliations, extensive work and training with the contract CPA have given the Grant Manager a better understanding of operations. Additionally, internal controls have been strengthened to identify and correct any misstatements in a timely manner.

**Section III: Findings and questioned costs for Federal Awards, including those specified by OMB Circular A-133.**

See 2014-06 above



## **MADISON PARISH SCHOOL BOARD**

### **Status of Prior Year Findings**

The following is a summary of the status of the prior year findings included in the Luffey, Huffman, Ragsdale & Soignier, APAC audit report dated April 15, 2014 covering the financial statements of the Madison Parish School Board as of and for the year ended June 30, 2013.

#### **2013-01 Internal Control - Sales Tax Collector**

##### **Finding**

Madison Parish School Board (the School Board) is the sales tax collector for the parish and collects taxes on behalf of itself and five other local governments: Madison Parish Police Jury, the City of Tallulah, the Village of Richmond, the Village of Delta and the Madison Parish Sheriff's Office. Total collections and disbursements amount to approximately \$7 million in fiscal year 2013 of which the School Board received approximately \$3.5 million in fiscal year 2013 which represents approximately 8% of total revenues. Until fiscal year 2013, two people were employed in this department. In fiscal year 2013, due to changes in personnel, including the passing away of one of the employees, the department has been relegated to one employee for an extended period of time. This one employee sends out notices, receives payments, deposits payments and determines the amounts and payees of all payments. There are no controls in place verifying that charges are correct, monies received are properly deposited or that payments are made in a timely manner and in appropriate amounts. This same employee also handles the same functions for occupational licenses in the same manner. Aside from the lack of controls, the School Board is also exposed to a significant degree of risk should its current employee have to take a leave of absence for an extended period of time.

It is the School Board's responsibility to ensure that all businesses are paying their sales taxes and occupational license fees. This procedure is usually completed by verifying that businesses operating within the parish are on the list of businesses paying said monies to the School Board. However, there is no such action taking place by the School Board and there are no other controls in place to ensure that all entities are held accountable for the sales taxes and occupational license fees owed to the various entities.

##### **Status**

For Fiscal year 2014, there remained only one person within the sales tax department. The School Board feels that one individual is able to adequately handle the workload for that department. However, the School Board understands the importance for adequate internal controls. Therefore, proper mitigating controls will be implemented. The School Board is currently actively reviewing the controls in place with regard to the Sales Tax department and is adding additional procedures and controls as considered necessary.

#### **2013-02 Internal Controls -- General Status of the Business Department**

##### **Finding**

Many of the key positions in the business office are staffed by one employee. These key positions, include payroll, human resources, purchasing, Federal programs and the previously

## **MADISON PARISH SCHOOL BOARD**

### **Status of Prior Year Findings**

discussed sales tax collector. Additionally, there is a lack of cross training in each of these areas. The inadequate backup support in each of these areas lends the School Board to substantial risk should any one of these key employees become unavailable for work. Additionally and subsequent to year-end, the School Board laid off its acting business manager as part of its reduction in force due to the opening of a charter school which substantially impacted enrollment numbers and therefore, its' funding. Such action significantly impacted the already delicate balance of staffing previously described to a point where proper segregation of internal controls is no longer possible due to the lack of this key position. Also subsequent to year-end, the data information coordinator was laid off which impacted the procurement of certain information related to Schedule 5 (Public School Staff Data: Average Salaries) whereby no one was aware of the specific procedures needed to accurately accumulate the needed information.

#### **Status**

In November 2014, the School Board hired a contract CPA firm to act as business manager for the School Board. The firm is currently working with the business staff to review policies and procedures to ensure that proper controls are implemented. Although the business department has limited staff, the School Board will ensure that proper mitigating controls are implemented to reduce the associated risks identified. Also, each position is currently being reviewed to determine the appropriate cross-training that is needed.

### **2013-03 Internal Control – Receipts Log Book**

#### **Finding**

During our analysis of receipts testwork, it was noted that the Business Department's log for receipts was not kept up-to-date from July 26, 2012 to September 26, 2012 and January 25, 2013 to May 30, 2013, roughly 6 months of the year.

A review of the log sheet for the other dates revealed that most of the checks are below \$1,000, many of which were from retirees for their share of the health insurance premiums. Some of the less frequent checks were interest checks from the bank and rental fees for the use of School Board property. The larger checks related to receipting in for ad valorem (property) taxes and a land lease payment.

It should be noted that it is the policy of the School Board that the Business Department does not take cash payments.

#### **Status**

This finding is cleared for the current year.

## **MADISON PARISH SCHOOL BOARD**

### **Status of Prior Year Findings**

#### **2013-04 Maintenance of Capital Asset Records**

##### **Finding**

During our review of the capital asset records, it became apparent that several assets were either obsolete or were no longer on site. In total, assets with an initial cost of \$425,125, all of which had been fully depreciated, were determined to have been no longer on site, most likely due to obsolescence. Included in this amount, were 10 buses for \$288,196 (68% of the \$425,125); 64 computer related equipment for \$112,658 (26%) and other miscellaneous equipment for \$24,271 (6%). Public school buses are required to be sold by state law after the bus reaches 20 years of age. The computer related equipment removed was purchased from 1999 to 2005 and had been replaced with newer models in earlier years.

##### **Status**

This finding is cleared for the current year.

#### **2013-05 Old Outstanding Checks**

**First reported - 2012**

##### **Finding**

During our test of cash for the year ended June 30, 2013, we noted that the bank reconciliations for five of the School Board bank accounts had outstanding checks dating back as far as 1985 (28 years).

Vendor checks and payroll checks over 5 years should no longer be outstanding on an entity's bank reconciliation. Instead, these checks should be voided and handled in one of three ways:

- 1) added back to cash after researching and determining the amount has already been paid;
- 2) reissued after researching and determining the amount had not been previously paid when the address for the payee is known; or
- 3) turned over to the State's unclaimed property after researching and determining the amount had not been previously paid when the address for the payee is unknown.

A summary of the outstanding checks totaling \$25,619, all of which are below \$2,000 and are older than five years, is as follows: the Master Bank account has 105 checks outstanding totaling \$12,719; the School Lunch Fund account has 5 checks outstanding totaling \$149; the Title 1 Fund account has 1 check outstanding for \$250; the Payroll Fund has 69 checks outstanding totaling \$10,259; and the Sales Tax Maintenance Fund account has 2 checks outstanding totaling \$2,242.

##### **Status**

This finding is cleared for the current year.

#### **2013-06 Financial Statements Not Filed Timely**

**First reported - 2012**

##### **Finding**

LA R.S. 24:513 requires that the School Board prepare and submit its audited financial statements to the Louisiana Legislative Auditor no later than six months after the end of the most recent fiscal year.

## **MADISON PARISH SCHOOL BOARD**

### **Status of Prior Year Findings**

The School Board suffered personnel shortages due to workforce reductions and thus was unable to provide information to the auditors in time for the School Board to submit to the Louisiana Legislative Auditor within the prescribed time period.

#### **Status**

This finding is repeated in fiscal year 2014.

### **2013-07 Late Filing of the AFR**

#### **Finding**

Each year, the Louisiana Department of Education (LDE) requires each school board to file an Annual Financial Report (commonly referred to as the AFR). The LDE uses this report to support management decisions at the state level and to respond to various request for educational financial data as well as for fund distribution by the LDE.

The deadline for the initial AFR submission and certification for fiscal year 2013 report was on September 30, 2013 with a final deadline (for clearing up of any adjustments required by the LDE on December 20, 2013. The School Board, due to the laying off of its interim business manager, was unable to start the task until late December 2013 and the AFR was not filed until January 20, 2014.

#### **Status**

This finding is cleared for the current year.

### **Section III: Findings and questioned costs for Federal Awards, including those specified by OMB Circular A-133.**

### **2013-08 Level of Effort – Maintenance of Effort**

#### **Finding**

OMB Circular A-133 requires that the School Board maintain a certain level of effort for the Special Education – IDEA B program which includes a specified level of service to be provided from period to period as well as a specified level of expenditures from non-Federal or Federal sources for specified activities from period to period. We were informed that the School Board has not yet completed its required maintenance of effort computations. Turnover in personnel has caused a backlog in the workload in the grants management area. As a result of not completing the maintenance of effort computations in a timely manner, the School Board is non-compliant with the maintenance of effort requirement of the IDEA B program.

#### **Status**

This finding is cleared for the current year.

**MADISON PARISH SCHOOL BOARD**

**OTHER INFORMATION**

**INDEPENDENT ACCOUNTANTS' REPORT  
ON APPLYING AGREED-UPON PROCEDURES  
AS OF AND FOR THE YEAR ENDED JUNE 30, 2014**

**Members of the School Board  
Madison Parish School Board  
Tallulah, Louisiana**

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the Madison Parish School Board (the School Board) and the Legislative Auditor, State of Louisiana (collectively, the Specified Users), solely to assist users in evaluating management's assertions about the performance and statistical data accompanying the annual financial statements of the Madison Parish School Board and to determine whether the specified schedules are free of obvious errors and omissions as provided by the Board of Elementary and Secondary Education (BESE). This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the Specified Users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings relate to the accompanying schedules required by state law and are as follows:

*General Fund Instructional and Support Expenditures and Certain Local Revenue Sources (Schedule 1)*

1. We selected a random sample of 25 transactions and reviewed supporting documentation to determine if the sampled expenditures/revenues are classified correctly and are reported in the proper amounts for each of the following amounts reported on the schedule:
  - Total General Fund Instructional Expenditures,
  - Total General Fund Equipment Expenditures,
  - Total Local Taxation Revenue,
  - Total Local Earnings on Investment in Real Property,
  - Total State Revenue in Lieu of Taxes,
  - Nonpublic Textbook Revenue, and
  - Nonpublic Transportation Revenue.

*Comment: No exceptions were noted.*

**Madison Parish School Board  
Tallulah, Louisiana**

*Education Levels of Public School Staff (Schedule 2)*

2. We reconciled the total number of full-time classroom teachers per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total number of full-time classroom teachers per this schedule and to School Board supporting payroll records as of October 1, 2013.

*Comment: No exceptions were noted.*

3. We reconciled the combined total of principals and assistant principals per the schedule “Experience of Public Principals and Full-time Classroom Teachers” (Schedule 4) to the combined total of principals and assistant principals per this schedule.

*Comment: No exceptions were noted.*

4. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2013 and as reported on the schedule. We traced a random sample of 25 teachers to the individual’s personnel file and determined if the individual’s education level was properly classified on the schedule.

5.

*Comment: No exceptions were noted.*

*Number and Type of Public Schools (Schedule 3)*

6. We obtained a list of schools by type as reported on the schedule. We compared the list to the schools and grade levels as reported on the Title 1 Grants to Local Educational Agencies (CFDA 84.010) application and/or the National School Lunch Program (CFDA 10.555) application.

*Comment: The Title I Grants to Local Educational Agencies Application reflects five schools whereas Schedule 3 reflects 6 schools. The sixth school is the Madison Parish Alternative School (MPAC) which educates students from either Madison Parish Middle School or Madison Parish High School. As such, these students are included in the official roster of those schools. However, for practical purposes, MPAC is run as a school with permanently assigned teachers and principal and therefore, it is appropriate to include MPAC as an educational facility on Schedule 3.*

**Madison Parish School Board**

**Tallulah, Louisiana**

*Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers (Schedule 4)*

7. We obtained a list of full-time teachers, principals, and assistant principals by classification as of October 1, 2013 and as reported on the schedule and traced the same sample used in procedure 4 to the individual's personnel file and determined if the individual's experience was properly classified on the schedule.

*Comment: No exceptions were noted.*

*Public School Staff Data: Average Salaries (Schedule 5)*

We obtained a list of all classroom teachers including their base salary, extra compensation, and ROTC or rehired retiree status as well as full-time equivalent as reported on the schedule and traced a random sample of 25 teachers to the individual's personnel file and determined if the individual's salary, extra compensation, and full-time equivalents were properly included on the schedule.

*Comment: No exceptions were noted.*

8. We recalculated the average salaries and full-time equivalents reported in the schedule.

*Comment: See above comment.*

*Class Size Characteristics (Schedule 6)*

9. We obtained a list of classes by school, school type, and class size as reported on the schedule and reconciled school type classifications to Schedule 3 data, as obtained in procedure 5. We then traced a random sample of 10 classes to the October 1, 2013 roll books for those classes and determined if the class was properly classified on the schedule.

*Comment: No exceptions were noted.*

*Louisiana Educational Assessment Program (LEAP) (Schedule 7)*

10. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

*Comment: No exceptions were noted.*



**Madison Parish School Board**  
**Tallulah, Louisiana**  
Graduation Exit Examination (Schedule 8)

11. This schedule is no longer applicable.

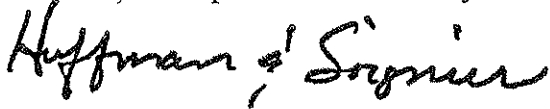
iLeap Tests (Schedule 9)

12. We obtained test scores as provided by the testing authority and reconciled scores as reported by the testing authority to scores reported in the schedule by the School Board.

*Comment: No exceptions were noted.*

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of the Madison Parish School Board, the Louisiana Department of Education, the Louisiana Legislature and Legislative Auditor, State of Louisiana and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.



(A Professional Accounting Corporation)

**January 19, 2015**

**MADISON PARISH SCHOOL BOARD**  
**Tallulah, Louisiana**

**Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2014**

**Schedule 1 - General Fund Instructional and Support Expenditures and Certain Local Revenue Sources**

This schedule includes general fund instructional and equipment expenditures. It also contains local taxation revenue, earnings on investments, revenue in lieu of taxes, and nonpublic textbook and transportation revenue. This data is used either in the Minimum Foundation Program (MFP) formula or is presented annually in the MFP 70% Expenditure Requirement Report.

**Schedule 2 - Education Levels of Public School Staff**

This schedule includes the certificated and uncertificated number and percentage of full-time classroom teachers and the number and percentage of principals and assistant principal's with less than a Bachelor's; Master's; Master's +30; Specialist in Education; and Ph. D or Ed. D. degrees. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 3 - Number and Type of Public Schools**

This schedule includes the number of elementary, middle/junior high, secondary and combination schools in operation during the fiscal year. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 4 - Experience of Public Principals, Assistant Principals, and Full-time Classroom Teachers**

This schedule includes the number of years of experience in teaching for assistant principals, principals, and full-time classroom teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 5 - Public School Staff Data: Average Salaries**

This schedule includes average classroom teacher's salary using full-time equivalents, including and excluding ROTC and rehired retiree teachers. This data is currently reported to the Legislature in the Annual Financial and Statistical Report (AFSR).

**Schedule 6 - Class Size Characteristics**

This schedule includes the percent and number of classes with student enrollment in the following ranges: 1-20, 21-26, 27-33, and 34+ students. This data is currently reported to the Legislature in the Annual School Report (ASR).

**Schedule 7 - Louisiana Educational Assessment Program (LEAP)**

This schedule represents student performance testing data and includes summary scores by district for grades 4 and 8 in each category tested. Scores are reported as Advanced, Proficient, Basic, Approaching Basic, and Unsatisfactory. This schedule includes three years of data.

**MADISON PARISH SCHOOL BOARD**  
**Tallulah, Louisiana**

**Schedules Required by State Law (R.S. 24:514 - Performance and Statistical Data)**  
**As of and for the Year Ended June 30, 2014**

**Schedule 8 - Graduation Exit Examination (GEE)**

This schedule is no longer applicable.

**Schedule 9 –iLEAP Tests**

This schedule represents student performance testing data and includes a summary score for grades 3, 5, 6, 7 and 9 for each district. The summary score reported is the National Percentile Rank showing relative position or rank as compared to a large, representative sample of students in the same grade from the entire nation. This schedule includes three years of data.

As of fiscal year 2011, 9<sup>th</sup> graders are not required to take iLeap. These students must now pass 3 end-of-course tests. The Department of Education will be reviewing end-of-course testing and its potential inclusion for assurance purposes in time for fiscal year 2014 assurance submissions.

**MADISON PARISH SCHOOL BOARD**  
Tallulah, Louisiana

**General Fund Instructional and Support Expenditures  
and Certain Local Revenue Sources  
Fiscal Year Ended June 30, 2013**

**General Fund Instructional and Equipment Expenditures****General Fund Instructional Expenditures:****Teacher and Student Interaction Activities:**

Classroom Teacher Salaries	\$ 4,333,462	
Other Instructional Staff Activities	525,188	
Instructional Staff Employee Benefits	2,388,097	
Purchased Professional and Technical Services	107,376	
Instructional Materials and Supplies	321,839	
Instructional Equipment	-	
Total Teacher and Student Interaction Activities		\$ 7,675,962

**Other Instructional Activities**

Pupil Support Activities	777,649	
Less: Equipment for Pupil Support Activities	(150)	
Net Pupil Support Activities		777,499

**Instructional Staff Services**

Less: Equipment for Instructional Staff Services	-	
Net Instructional Staff Services		914,492

**School Administration:**

Less: Equipment for Instructional Staff Services	1,039,145	
Net School Administration	-	1,039,145

Total General Fund Instructional Expenditures \$ 10,523,895

**Total General Fund Equipment Expenditures** **\$ 1,245**

**Certain Local Revenue Sources****Local Taxation Revenue:**

Constitutional Ad Valorem Taxes	\$ 565,586
Renewable Ad Valorem Tax	558,578
Debt Service Ad Valorem Tax	1,333,383
Up to 1% of Collections by the Sheriff on Taxes Other than School Taxes	119,705
Sales and Use Taxes	3,805,074
Total Local Taxation Revenue	\$ <u>6,382,326</u>

**Local Earnings on Investment in Real Property:**

Earnings from 16th Section Property	\$ 20,401
Earnings from Other Real Property	-
Total Local Earnings on Investment in Real Property	\$ <u>20,401</u>

**State Revenue in Lieu of Taxes:**

Revenue Sharing - Constitutional Tax	\$ 18,916
Revenue Sharing - Other Taxes	19,575
Revenue Sharing - Excess Portion	-
Other Revenue in Lieu of Taxes	-
Total State Revenue in Lieu of Taxes	\$ <u>38,491</u>

Nonpublic Textbook Revenue \$ 7,384

Nonpublic Transportation Revenue \$ -

**MADISON PARISH SCHOOL BOARD**  
Tallulah, Louisiana

**Education Levels of Public School Staff**  
As of October 1, 2013

Category	Full-time Classroom Teachers				Principals & Assistant Principals			
	Certificated		Uncertificated		Certificated		Uncertificated	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than a Bachelor's Degree	-	0%	-	0%	-	0%	-	0%
Bachelor's Degree	62	55%	9	8%	-	0%	-	0%
Master's Degree	25	22%	2	2%	5	56%	-	0%
Master's Degree + 30	8	7%	-	0%	2	22%	-	0%
Specialist in Education	4	4%	-	0%	2	22%	-	0%
Ph. D. or Ed. D.	2	2%	-	0%	-	0%	-	0%
<b>Total</b>	<b>101</b>	<b>90%</b>	<b>11</b>	<b>10%</b>	<b>9</b>	<b>100%</b>	<b>-</b>	<b>0%</b>

**MADISON PARISH SCHOOL BOARD**  
**Tallulah, Louisiana**

**Number and Type of Public Schools**  
**Fiscal Year Ended June 30, 2014**

<u>Type</u>	<u>Number</u>
Elementary	2
Middle/Jr. High	1
Secondary	1
Combination	2
<b>Total</b>	<u><u>6</u></u>

Note: Schools opened or closed during the fiscal year are included in this schedule

**MADISON PARISH SCHOOL BOARD**  
**Tallulah, Louisiana**

**Experience of Public Principals, Assistant Principals and Full-time Classroom Teachers**  
**As of October 1, 2013**

	0-1 Yr.	2-3 Yrs.	4-10 Yrs.	11-14 Yrs.	15-19 Yrs.	20-24 Yrs.	25+ Yrs.	Total
Assistant Principals	-	-	1	1	1	-	-	3
Principals	-	-	2	3	-	-	1	6
Classroom Teachers	25	5	15	14	10	8	35	112
<b>Total</b>	25	5	18	18	11	8	36	121

**MADISON PARISH SCHOOL BOARD**  
**Tallulah, Louisiana**

**Public School Staff Data: Average Salaries**  
**Fiscal Year Ended June 30, 2014**

	<u>All Classroom Teachers</u>	<u>Classroom Teachers Excluding ROTC, Rehired Retirees, and Flagged Salary Reductions</u>
Average Classroom Teachers' Salary Including Extra Compensation	\$46,608	\$46,376
Average Classroom Teachers' Salary Excluding Extra Compensation	\$45,079	\$44,792
Number of Teacher Full-time Equivalents (FTEs) used in Computation of Average Salaries	113	107

**Note:** Figures reported include all sources of funding (i.e., federal, state, and local) but exclude stipends and employee benefits. Generally, retired teachers rehired to teach receive less compensation than non-retired teachers; some teachers may have been flagged as receiving reduced salaries (e.g., extended medical leave); and ROTC teachers usually receive more compensation because of a federal supplement. For these reasons, these teachers are excluded from the computation in the last column. This schedule excludes day-to-day substitutes, temporary employees, and any teachers on sabbatical leave during any part of the school year.



**MADISON PARISH SCHOOL BOARD**  
Tallulah, Louisiana

**Class Size Characteristics**  
As of October 1, 2013

School Type	Class Size Range								Total	
	1 - 20		21 - 26		27 - 33		34 +			
	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number	Percentage	Number
Elementary	58.8%	130	37.6%	83	3.6%	8	0.0%	-	100.0%	221
Elementary Activity Classes	58.8%	10	29.4%	5	11.8%	2	0.0%	-	100.0%	17
Middle/Jr. High	0.0%	68	0.0%	21	0.0%	5	0.0%	3	0.0%	97
Middle/Jr. High Activity Classes	0.0%	7	0.0%	-	0.0%	1	0.0%	-	0.0%	8
High	66.1%	121	20.2%	37	13.7%	25	0.0%	-	100.0%	183
High Activity Classes	75.9%	22	13.8%	4	6.9%	2	3.4%	1	100.0%	29
Combination	100.0%	51	0.0%	-	0.0%	-	0.0%	-	100.0%	51
Combination Activity Classes	100.0%	9	0.0%	-	0.0%	-	0.0%	-	100.0%	9
Total	68.0%	418	24.4%	150	7.0%	43	0.7%	4	100.0%	615

**Note:** The Board of Elementary and Secondary Education has set specific limits on the maximum size of classes at various grade levels. The maximum enrollment in grades K-3 is 26 students and maximum enrollment in grades 4-12 is 33 students. These limits do not apply to activity classes such as physical education, chorus, band, and other classes without maximum enrollment standards. Therefore, these classes are included only as separate line items.

**MADISON PARISH SCHOOL BOARD**  
Tallulah, Louisiana

**Louisiana Educational Assessment Program (LEAP)**  
Three Fiscal Years Ended June 30, 2014

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	1	1	6	3	2	1	4	4	1	1	6	4
Mastery	11	11	24	14	18	13	16	16	31	18	26	19
Basic	33	32	83	48	72	53	31	30	61	35	63	46
Approaching Basic	21	20	30	17	31	23	15	15	26	15	20	15
Unsatisfactory	37	36	29	17	13	10	37	36	53	31	22	16
Total	103		172		136		103		172		137	

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 4</b>												
Advanced	0	0	0	0	3	2	0	0	1	1	0	0
Mastery	2	2	4	2	18	13	2	2	13	8	8	6
Basic	32	31	64	37	57	42	38	37	69	40	72	53
Approaching Basic	32	31	63	37	39	28	15	15	52	30	28	21
Unsatisfactory	37	36	41	24	20	15	48	47	37	22	28	21
Total	103		172		137		103		172		136	

District Achievement Level Results	English Language Arts						Mathematics					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	1	0.8	0	0	0	0	2	1.62602	0	0	0	0
Mastery	6	5	12	10	8	6	1	1	2	2	2	1
Basic	40	32	29	24	44	32	48	39	56	45	59	44
Approaching Basic	58	46	53	43	54	39	36	29	33	27	40	30
Unsatisfactory	20	16	28	23	31	23	36	29	33	27	34	25
Total	125		122		137		123		124		135	

District Achievement Level Results	Science						Social Studies					
	2014		2013		2012		2014		2013		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 8</b>												
Advanced	0	0	0	0	0	0	0	0	0	0	0	0
Mastery	6	5	4	3	10	7	11	9	7	6	9	7
Basic	34	27	43	35	33	24	51	40	60	48	48	35
Approaching Basic	49	39	47	38	46	34	40	32	29	23	42	31
Unsatisfactory	36	29	30	24	48	35	24	19	29	23	37	27
Total	125		124		137		126		125		136	

**MADISON PARISH SCHOOL BOARD**  
**Tallulah, Louisiana**

**Graduation Exit Exam**  
**Three Fiscal Years Ended June 30, 2014**

**This Schedule is no longer applicable.**

**MADISON PARISH SCHOOL BOARD**  
**iLEAP Tests**  
**Three Fiscal Years Ended June 30, 2014**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	4	2	2	1	1	1	2	1
Mastery	26	15	18	11	32	19	35	21
Basic	50	30	58	34	51	30	48	28
Approaching Basic	40	24	30	18	43	25	33	20
Unsatisfactory	49	29	62	36	42	25	51	30
Total	169		170		169		169	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	1	1	3	3	0	0	0	0
Mastery	12	10	7	6	5	4	10	8
Basic	45	38	31	26	33	28	57	48
Approaching Basic	28	24	24	20	42	35	28	24
Unsatisfactory	33	28	54	45	40	33	24	20
Total	119		119		120		119	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	2	2	2	2	0	0	4	3
Mastery	7	6	14	12	3	3	5	4
Basic	46	38	57	48	45	38	57	48
Approaching Basic	37	31	17	14	51	43	35	29
Unsatisfactory	28	23	29	24	21	18	19	16
Total	120		119		120		120	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2012		2012		2012		2012	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	0	0	3	2	0	0	1	1
Mastery	7	5	7	5	12	9	11	8
Basic	42	32	55	42	40	31	71	54
Approaching Basic	57	44	33	25	55	42	28	21
Unsatisfactory	24	18	33	25	24	18	20	15
Total	130		131		131		131	

Continued

**MADISON PARISH SCHOOL BOARD**  
**iLEAP Tests**  
**Three Fiscal Years Ended June 30, 2014**

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	2	1	0	0	0	0	0	0
Mastery	10	7	5	3	1	1	2	1
Basic	40	27	33	22	45	30	41	27
Approaching Basic	48	32	37	25	53	35	44	29
Unsatisfactory	50	33	75	50	51	34	63	42
Total	150		150		150		150	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	4	4	0	0	0	0	0	0
Mastery	21	18	17	15	3	3	11	10
Basic	27	24	37	32	31	27	27	23
Approaching Basic	30	26	27	23	45	39	32	28
Unsatisfactory	32	28	34	30	35	31	45	39
Total	114		115		114		115	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	2	2	3	3	0	0	7	6
Mastery	5	4	1	1	5	4	10	9
Basic	40	35	20	18	22	19	58	51
Approaching Basic	30	27	25	22	51	45	24	21
Unsatisfactory	36	32	64	57	36	32	15	13
Total	113		113		114		114	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2013		2013		2013		2013	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	3	3	1	1	0	0	2	2
Mastery	13	12	8	7	8	7	12	10
Basic	42	39	43	40	32	28	47	41
Approaching Basic	30	28	33	31	42	37	31	27
Unsatisfactory	21	19	23	21	33	29	23	20
Total	109		108		115		115	

**MADISON PARISH SCHOOL BOARD**  
**iLEAP Tests**  
**Three Fiscal Years Ended June 30, 2014**

Level Results	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 3</b>								
Advanced	1	1	1	1	0	1	0	0
Mastery	9	12	2	3	7	9	9	12
Basic	34	45	31	41	23	31	35	47
Approaching Basic	10	13	22	29	23	31	10	13
Unsatisfactory	21	28	19	25	22	29	21	28
Total	75		75		75		75	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 5</b>								
Advanced	0	0	1	1	0	0	0	0
Mastery	3	3	5	5	1	1	1	1
Basic	27	29	32	35	19	21	22	24
Approaching Basic	39	42	27	29	34	37	35	38
Unsatisfactory	24	26	27	29	38	41	34	37
Total	93		92		92		92	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 6</b>								
Advanced	0	0	0	0	0	0	1	1
Mastery	5	5	5	5	2	2	0	0
Basic	31	30	36	35	42	41	38	37
Approaching Basic	31	30	31	30	38	37	36	35
Unsatisfactory	36	25	31	30	21	20	28	27
Total	103		103		103		103	

District Achievement Level Results	English Language Arts		Mathematics		Science		Social Studies	
	2014		2014		2014		2014	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
<b>Grade 7</b>								
Advanced	2	2	2	2	1	1	3	3
Mastery	8	8	2	2	5	5	9	9
Basic	43	41	37	35	35	33	47	45
Approaching Basic	32	30	30	29	43	41	35	33
Unsatisfactory	20	19	34	32	21	20	11	10
Total	105		105		105		105	

Concluded